

Bindery

The Department of State

bulletin

Vol. XXXI, No. 794

September 13, 1954



PRINCIPLES OF U. S. FOREIGN POLICY • Address by the President	359
EXCERPT FROM THE PRESIDENT'S MUTUAL SE- CURITY REPORT	381
REVISIONS IN BATTLE ACT EMBARGO LIST AND EXPORT CONTROLS	372
RECENT DEVELOPMENTS IN THE INTERNA- TIONAL CONTROL OF NARCOTICS • Article by George A. Morlock	366

For index see inside back cover



The Department of State bulletin

VOL. XXXI, No. 794 • PUBLICATION 5582

September 13, 1954

The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.

For sale by the Superintendent of Documents
U.S. Government Printing Office
Washington 25, D.C.

PRICE:
52 issues, domestic \$7.50, foreign \$10.25
Single copy, 20 cents

The printing of this publication has been approved by the Director of the Bureau of the Budget (January 22, 1952).

Note: Contents of this publication are not copyrighted and items contained herein may be reprinted. Citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated.

Principles of U.S. Foreign Policy

*Address by the President*¹

For the third time since World War II, I am honored to join a national convention of the American Legion. With you, I give thanks that at last we can come together at a time when the sounds of battlefields, everywhere in the world, have been stilled.

In such a gathering, made up of those who have served our country in time of war, it seems fitting that we turn our attention to our international affairs and the Nation's security. Now, in saying this, I do not mean that any group or any section of America has a monopoly either of interest or of wisdom in dealing with complex world problems.

The contrary is true. The term "bipartisan participation" is too narrow to describe accurately the attitude that all Americans should maintain in this great area of vital concern. Rather, we should speak of universal or national participation, which would in turn imply serious study, analysis, and debate of every proposal and issue presented.

The world must understand that there is stability in our international purposes. Obviously, this cannot be obtained if there is to be marked change or if the world is to fear a marked change with every varying of partisan political winds. The only answer is that the whole American people must be informed and their decisions be made clear.

Of course, it is obvious that much of the diplomatic work, particularly those efforts classed as preparatory toward the reaching of agreements, be conducted in confidence. The political situations in the several free countries are not identical, and premature disclosures of positions and arguments could very well bar the attainment of any reasonable solution. But on broad objectives and purposes, and on the acceptable methods for obtaining them, the American people must be fully informed. Thus, their decisions will be appropriate

to the situation, and the world will know that they are stable in terms of time.

This comprehensive approach is difficult to achieve; perfection cannot, of course, be attained. But the first lesson in today's complicated world affairs is that they are far too important to all of us for any one party or any one group to risk the exclusion of other Americans in reaching answers that will eventually affect the fate of all of us. Success or failure in all we hope to accomplish in attaining a peaceful world may well hinge upon our success in eliminating politics and prejudice from our Nation's efforts toward this goal.

Basic to our analysis of our present world situation is clear recognition of several important truths. I mention only a few of these, but these few we can forget only at our peril.

The first is that the Communist dictatorship—ruthless, strong, insatiable—is determined to establish its sway over all the world. This truth requires no elaboration. All Americans recognize it as a fact.

The second truth is that the Communist dictatorship is adroit in its selection and use of every imaginable weapon to achieve its ends. It uses force and the threat of force. It uses bribery, subversion, and sabotage. It uses propaganda.

The Propaganda Weapon

This last weapon—propaganda—is one which emphatically requires from us new and aggressive countermeasures. There is a dangerous disproportion between our country's efforts to tell the truth about freedom and our Nation's objectives on the one hand and the propaganda of the Red dictatorship on the other. For every spokesman of freedom that we assign to the struggle for men's minds and hearts, the Communists assign scores; for every dollar we spend for informational purposes, they spend 50 in opposition; for every word we utter in the cause of liberty and faith, they utter thousands to extol their system and to degrade and defame the values of the free.

¹Made before the American Legion at Washington, D. C., on Aug. 30.

Legionnaires, we must preach, demonstrate, and tirelessly sell the vitality and value of freedom in the world. Nothing is more dangerous to our cause than to expect America's message to be heard if we don't bother to tell it.

We must reaffirm to the oppressed masses of the earth the great truth that the God who gave life to humanity at the same time gave the right of liberty to man. And in our own interest we must apply both our intelligence and the necessary material means to assist other peoples to realize for themselves the blessings of freedom and of self-government.

Now, another Red weapon which we must vigorously counter is subversion. This phase of the worldwide battle goes on constantly. Fortunately, many nations have become alerted to the dangers of this menace and are taking steps against it.

During the past year the nations of this hemisphere, at Caracas, jointly declared international communism to be a menace to all.² Heartened by this resolute stand, the majority of the Guatemalan people rose to defeat the first specific attempt of Communist imperialism to establish a beachhead in this hemisphere.

In the battle against subversion within our own land, I am aware that you of the American Legion have been leaders for a third of a century. For this vigorous stand, the Nation has cause to be grateful. I know that from your determined leadership our people will continue to benefit.

Your Government will continue to wage relentless battle against subversion and infiltration. We shall do so not by halfhearted half measures which complacently accept or ignore the untrustworthy and the disloyal, but by measures realistically adjusted to the nature and magnitude of the Red conspiracy.

We have been intensively using existing laws against subversion. During the past 19 months the rate of convictions and deportations secured by the FBI and the Department of Justice has been stepped up. In addition, with the cooperation of the Congress we have written a number of new laws to help us blot out the Communist conspiracy. While a few of these may need modification based upon experience, the aggregate gain will be very substantial.

And of this you may be sure: As we continue this battle we shall not impair the constitutional safeguards protecting our liberties, yours and mine. Our Nation is too strong to give way to hysterical fear which, under the guise of preserving our institutions, would undermine the principles upon which they rest. I know the American Legion will support this wise, traditionally American approach.

I have dealt with two truths essential to our appraisal of the world situation—the implacabil-

ity of the Communist drive toward world domination and the readiness of the Communists to use any weapon to achieve their ends.

Need for Free World Unity

A third truth is this: The safety of any single nation in the free world depends directly upon the substantial unity of all nations in the free world. No nation outside the Iron Curtain can afford to be indifferent to the fate of any other nation devoted to freedom.

If each, ignoring all others, pursues only its own course toward its own ends, the Communists would have unlimited opportunity to turn the full force of their power upon any selected victim. Each, beginning with the weakest and the most exposed, might succumb in turn, until the strongest of all—ourselves—would be left alone to face a hostile world. The final result would be fearful to contemplate. We will never permit it to happen.

The free countries of the world have tremendous assets—in people, in productive resources, in the staying power and flexibility of free institutions. How effectively and how unitedly these countries employ these resources may well determine the outcome of the present world struggle.

This is why your national administration tirelessly seeks to solidify partnerships within the free world. I should like to talk to you briefly about certain meanings of those partnerships.

First and foremost, we can have no partnership with any nation that does not itself desire world peace and want to work for it. In this modern age, war as an instrument of deliberate policy is so unthinkable for us that we could not possibly work in permanent harmony with any nation which fails to share our peaceful convictions.

On this basis we participate in alliances with other nations of good will. Today we are allied with 13 nations under the North Atlantic Treaty, with 19 American nations in the Rio Pact, and with 6 nations in the Pacific.

Now, what should we expect of these partners? And what should they expect of us?

The answer should be sharply clear: We must work together on a principle of united freedom. In our common values and purposes, in our common interests and goals, we and our partners must be solidly joined together. To fail in this is to invite peril. At the same time, in our thoughts, in our practical decisions, in our actions as sovereign countries, we and our partners are and must be free. Because we can be at once united and free, we can be strong. And let no one ever mistake the origin of this strength.

This principle makes clear the scope of our mutual obligations. If we ignore it, we create unrealizable expectations on both sides. Then,

² BULLETIN of Apr. 26, 1954, p. 634.

any divergence in action or reaction is likely to give the impression that one side is "unfaithful" to the other.

In practical terms, this principle means that we are not committed to giving any of our partners a veto over our actions, nor do we have a veto over their actions. We must, therefore, guard against the dangerous assumption that other nations, as our allies, are bound to do what we want. They have never bound themselves in this sense. Nor have we bound ourselves to do what they want.

But all free nations have a continuing obligation to strengthen the recognition of the common values and interests of all peoples menaced by Communist imperialism. We must ceaselessly affirm our belief in the blessings of the hearts of free men and must inspire their every free action and decision. For in these ideals is a rich and living unity. Free men who have it will never willingly exchange it for the stifling shroud of regimentation under which the Communist despotism hides its silent, captive peoples.

The fourth truth, closely related to the third, is this: From the resources of the free world must be developed the many kinds of strength required to oppose successfully the broad front of Communist pressure.

We and our friends must be strong spiritually and intellectually so that neither fear, nor ignorance, nor lack of determination can lead us into defeat.

There must be a strong free-world economy so that free nations can support the military strength they need and also to help alleviate hunger, privation, and despair, which the Communist leaders so successfully exploit.

The free world must be strong in arms—to discourage aggression, or to defeat it if the Communists are so unwise as to attack.

Setbacks and Successes

Now, this task of keeping the free world strong and healthy is complex and continuous. It is indeed difficult to organize world peace. It calls for steady effort by the free nations to work patiently together in solving problems reaching to every corner of the globe. Inevitably this process is marked by setbacks as well as successes. In Europe, for example, the progress of Epc has not fulfilled our hopes. Yet, meanwhile, longstanding disputes in Egypt and Iran have been settled, and measures for the collective defense are going forward in Southeast Asia. Neither the ups nor downs justify any slackening of our efforts. The free world must build on its successes and be spurred to new endeavor by its setbacks.

The fifth truth—most important to us as a nation—involves our own place and function in the great cooperative effort to preserve security and peace.

Of all the free nations, our country is in many ways the richest and the strongest. Thus, there

is imposed upon us a heavy share of the whole burden of free world security. Obviously, we cannot help others unless we remain strong ourselves—strong in spirit, strong in economy and productivity, and strong in military might.

Now, a few plain statistical facts about our military: Our military strength is the product of our scientists, our working men and women, our industrialists, our military leadership—our entire people.

Today the United States has the most powerful and the most efficient fighting force it has ever maintained short of all-out war. In fact, in some respects it is the most powerful ever developed.

We have an Air Force of growing effectiveness. It has 50 percent more jets than it did last year. It possesses awesome power.

We have a mighty Navy, with thousands of active aircraft. It is a world leader in nuclear propulsion.

We have our strongest peacetime Army, equipped with modern weapons, trained under modern doctrine. It is capable of carrying out its assignments in the modern world.

We have a Marine Corps, tough and strong, rightly proud of its traditional esprit and readiness.

And all of this great power is supported by developing intelligence and warning systems of constantly increasing effectiveness and scope.

Perhaps you would permit me to interject here that the civil defense program must be remembered as another arm of our true national defense. What this American Legion can do to inspire people to participate actively as responsible citizens in the civil defense program adds that much to our national and our individual security.

Now, my friends, by no means do I intend this series of facts about the character of our fighting forces to be interpreted as blustering or as a threat to anyone.

Let us always remember that our basic objective is peace. But in our search for peace—indeed, in order to enhance that search—we are determined to remain secure.

Another thing about this fighting force: For a century and a half the Republic has prided itself on its refusal to maintain large standing military forces. We have relied, instead, upon the civilian soldier. But we have done so without being fair either to the private citizen or to the security of the Nation. We have failed miserably to maintain that strong, ready military reserve in which we have believed or professed belief for 150 years.

Now at long last, we must build such a reserve. And we must maintain it. Wishful thinking and political timidity must no longer bar a program so absolutely essential to our defense.

And one point about this needs special emphasis: This reserve will not unfairly burden men who have already served.

Establishment of an adequate reserve—an objective for which the American Legion and other patriotic organizations have vainly fought for a generation—will be a number-one item submitted to the Congress next year.

And I repeat: As we contemplate this powerful military system, we must always remind ourselves that we maintain it only because we must. We must remember that armaments alone cannot provide for the world a future that is secure and peaceful and filled with promise for humankind.

U.S. Foreign Service

Now, my friends, the foreign policy of our country is simply a program for pursuing peace under methods that conform to these and other truths of today's international existence. Essential to its success are the loyal and effective officers of our Foreign Service, serving under the inspired leadership of Secretary of State Dulles. With a few highly publicized exceptions, we have been fortunate in the high competence, professional ability, and devotion of these officers upon whom we must depend in our delicate and difficult negotiations with other nations and in assuring the world of our peaceful purposes.

In respect to that pursuit of peace, America does not change. No responsible individual—no political party—wants war or wants to damage America. The only treasonous party we have is the Communist Party. No matter how deep may be our differences in other fields, in this we are all Americans—nothing else. Of course, we recognize that, in applying such a policy to the many troublesome and difficult problems which beset the free world, there will continue to be differences of opinion and frictions about particular issues.

But difficult as our course is, we would do well to reflect that we can, in wisdom and humanity, choose no other way. To follow the path of isolation would surrender most of the free world to Communist despotism and ultimately forfeit our own security. Deliberately to choose the road to war would needlessly place in jeopardy the civilization which we are determined to preserve.

We shall not be sidetracked into either of these dead ends. We shall continue to give expression to our people's deep-seated desire to live at peace with all nations. In pursuance of this effort, we have loyally supported and worked with the United Nations, which, in its first 9 years, has

accomplished much in the cause of peace. Clearly it has often failed to fulfill our hopes. But that is no reason to weaken our support.

In the quest for peace, we have sought to resolve specific international disputes. In June of last year we negotiated a truce which ended the Korean War, preserved the Republic of Korea's freedom, and frustrated the Communist design for conquest. In January, at the Berlin Conference, we sought a Communist agreement to the establishment of a free and united Germany and an Austrian peace treaty. At Geneva in April we sought the peaceful unification of Korea and tried to help settle the Indochinese war.

We have suggested other means for reducing tensions. In April last year, our Nation outlined general principles for world understanding. Last December we suggested the international pooling of atomic resources for peaceful purposes. Unfortunately, the Communist reaction to both proposals has been indifferent or negative.

This Government will continue, nevertheless, to examine, with our friends, applicable methods for making nuclear science serve the needs of mankind. Moreover, we will continue to give voice to the free world's aspiration for peace. Despite the discouraging results on specific proposals, I believe that continuing United States efforts to persuade the Soviets to consider such solutions advance the cause of peace. And the door will always be open for their participation whenever they demonstrate sincere purpose to do so.

Nor do we despair of eventual success. No human problem is insoluble. In the earnest belief that these basic purposes conform to the will of the Highest of All Rulers, the United States will continue to pursue them. In this paramount cause of this century, this Nation must have the help of all its citizens. It must have their understanding, their determination, their readiness to sacrifice—and, above all, the strength and daring of their faith.

To help keep America strong, to help keep her secure, to help guide her on the true path to peace, there is no group better qualified than you of the American Legion.

Specifically for this reason, I repeat my expressions of pride and distinction in having this opportunity to address you today.

May courage, wisdom, and determination guide the deliberations of this convention and make the American Legion an instrument of ever-increasing value to the whole of America and the free world.

French Rejection of EDC

STATEMENT BY THE PRESIDENT

Speaking at the Iowa State Fair at Des Moines on August 30, the President referred to the fact that in the conduct of U.S. foreign affairs "there are successes and there are setbacks." After discussing the Iranian oil settlement, the Suez agreement, and the Communist defeat in Guatemala, he continued:

We have had our setbacks. One of the major setbacks was reported in your papers today, the rejection by the French Parliament of the French proposition to establish in Europe the European Defense Community. This was a device by the French whereby the free world could establish—without indulging in the traditional fights among themselves in Western Europe—security from any threat from without.

This proposal was established to allow Germany—Western Germany—to enter into a defensive alliance without any danger whatsoever it would be in a position to start a war or to engage in any kind of aggression because of the characteristics of the plan. The United States, Great Britain, and all the Western nations stood for it and approved this great French plan.

Now there is no disguising the fact that this is a serious setback, but what I want to say is this: The free world is still overwhelmingly strong as compared to the Iron Curtain countries—in the people we have, in their levels of intelligence and understanding, in their skills in agriculture and in industry, in their adherence to a cause rather than in regimented adherence to a government, finally in their tremendous productivity and indeed in the sum total of their military might.

STATEMENT BY SECRETARY DULLES

Press release 486 dated August 31

The French rejection of the European Defense Community is a saddening event. France thus turns away from her own historic proposal made nearly 4 years ago. That proposal sought a unification of the military strength of continental Europe into a single European army so as to end the era of recurrent European wars, the last two of which became world wars.

The French action does not change certain basic and stubborn facts:

(a) The effective defense of continental Europe calls for a substantial military contribution from the Germans; yet all, including the Germans themselves, would avoid national rearmament in a form which could be misused by resurgent militarism.

(b) Germany cannot be subjected indefinitely to neutrality or otherwise be discriminated against in terms of her sovereignty, including the inherent right of individual and collective self-defense. Limitations on German sovereignty to be permanently acceptable must be shared by others as part of a collective international order.

(c) The prevention of war between neighboring nations which have a long record of fighting cannot be dependably achieved merely by national promises or threats, but only by merging certain functions of their government into supranational institutions.

To deal with these facts was the lofty purpose of EDC. Four of the six prospective members of EDC had ratified that treaty—Belgium, Germany, Luxembourg, and the Netherlands. A fifth, Italy, was on the point of ratifying it. The United Kingdom and the United States had made far-reaching commitments of association with EDC.¹ France thus disassociates herself not only from her own proposal but from her prospective partners who had stood united at the recent Brussels conference.

The U.S. postwar policies beginning in 1946 were framed on the assumption that Western Europe would at long last develop a unity which would make it immune from war as between its members and defensible against aggression from without. The imperative need for that unity was recognized by the leading statesmen of all the free nations of Europe. The United States joined the North Atlantic Treaty defensive alliance with the Western European countries. We assisted these countries to recover from the weakening of World War II. Both on the economic and military side we made massive contributions. We stationed the equivalent of six divisions in Europe. We furthermore made our leading military figures available to assume high positions in the military organization designed to defend Western Europe.

The French negative action, without the provision of any alternative, obviously imposes on the United States the obligation to reappraise its foreign policies, particularly those in relation to Europe. The need for such a review can scarcely be questioned since the North Atlantic Council of Ministers has itself twice declared with unanimity that the EDC was of paramount importance to the European defense it planned. Furthermore, such review is required by conditions which the Congress attached this year and last year to authorizations and appropriations for military contributions to Europe.

The Western nations now owe it to the Federal Republic of Germany to do quickly all that lies in their power to restore sovereignty to that Republic and to enable it to contribute to interna-

¹ BULLETIN of Apr. 26, 1954, p. 619.

tional peace and security. The existing treaty to restore sovereignty is by its terms contingent upon the coming into force of EDC. It would be unconscionable if the failure to realize EDC, through no fault of Germany's, should now be used as an excuse for penalizing Germany. The Federal German Republic should take its place as a free and equal member of the society of nations. That was the purport of the resolution which the U. S. Senate adopted unanimously last July,² and the United States will act accordingly.

The United States stands ready to support the many in Western Europe who despite their valiant efforts are left in grave anxiety. We need not feel that the European idea is dead merely because, in one of the six countries, a present majority seems against one of its manifestations. There is still much on which to build, and those foundations should not be shaken by any abrupt or any ill-considered action of our own.

It is a tragedy that in one country nationalism, abetted by communism, has asserted itself so as to endanger the whole of Europe. That tragedy would be compounded if the United States was thereby led to conclude that it must turn to a course of narrow nationalism. It is a matter of elementary prudence that the United States should review its dispositions and planning in the light of the new situation now created. We are fortunately so situated that we do not need to identify ourselves with what to us seem self-defeating policies. We have flexibility to adjust our own policies to take account of developments elsewhere. In doing so, we shall be governed by the realization that we cannot in isolation find safety for ourselves.

When the NATO Ministerial Council came to adjourn last April to meet next December, I pointed out that if the EDC failed of realization that would create an emergency situation which would call for a special meeting of that Council. That condition has arisen, and the United States believes that there should promptly be a special meeting of the NATO Ministerial Council, as well as early consultations with Chancellor Adenauer. We shall move accordingly.

Secretary Dulles Leaves for Manila Conferences

Statement by the Secretary

Press release 487 dated August 31

I am leaving for Manila to participate in two important conferences.

The first is a meeting of the Philippine-United

² *Ibid.*, Aug. 23, 1954, p. 284.

States Council, which will take place on September 4. The Council was recently established under our Mutual Defense Treaty of 1951. The relationship of our two Republics is intimate, as is fitting in view of our close historic ties for over half a century.

The second conference is to commence on September 6. It will be attended by eight countries having interests in Southeast Asia. We shall consider the desirability of a security treaty. Of equal importance will be the opportunity to exchange views with the representatives of other countries interested in the Southeast Asia area. We hope to find and to develop a genuine meeting of minds as to what should be done to halt Communist expansion in that area. I also hope that ways and means can be found to enable Cambodia, Laos, and Southern Viet-Nam to become free, vigorous, and liberty-loving nations, and that the whole area can be strengthened by a sense of solidarity.

Soviet Attack on U.S. Plane in Sea of Japan

Following are the texts of notes exchanged on September 5 between the United States and the Soviet Union on the shooting down of a U.S. Navy patrol bomber in the Sea of Japan on September 4:

FIRST U.S. NOTE

Press release 493 dated September 5

A U.S. Navy P2V aircraft was attacked without warning by two MIG-type aircraft with Soviet markings at 1818 September 4 (local time). This attack took place over the international high seas approximately one hundred miles east of Vladivostok and forty-four miles from the Siberian coast.¹ Each Soviet aircraft made one firing run on the U.S. Navy aircraft and disappeared towards the Siberian coast. As a result of this unwarranted and hostile attack, the U.S. Navy aircraft was destroyed. To this hour all survivors have not been recovered.

The U.S. Government protests this wanton and unprovoked attack on a U.S. Navy aircraft engaged on a peaceful mission over the high seas. The U.S. Government requests that measures be taken to subject those responsible to immediate and appropriate punishment. The U.S. Government reserves all rights to claim damages for loss of property and lives and for other circumstances resulting from this illegal attack by Soviet aircraft.

¹ On Sept. 6 the U.S. Navy stated that the incident had occurred about 120 to 125 miles southeast of Vladivostok.

SOVIET NOTE

According to precisely established facts, on Sept. 4, 1954, at 1912 hours Vladivostok time, a twin-engined military aircraft of the Neptune type with identification marks of the United States Air Force violated the state frontier of the U.S.S.R. in the area of Cape Ostrovnoi, east of Port Nakhodka.

When two Soviet fighters approached the violating United States plane for the purpose of indicating to it that the plane was within the boundaries of the U.S.S.R. and of proposing that it should leave immediately the air space of the Soviet Union, the American plane opened fire on them.

In connection with this, the Soviet planes were forced to open fire in return, after which the American plane flew off in the direction of the sea.

The Soviet Government deems it necessary to draw the attention of the Government of the U.S.A. to the fact that this is not the first case of violation by American military planes of the state frontier of the U.S.S.R.

The Soviet Government makes a resolute protest to the Government of the U.S.A. against this new gross violation of the Soviet frontier by a United States military aircraft.

It insists that the persons guilty of this violation be dealt with severely and expects that the Government of the U.S.A. will immediately take steps for the prevention in future of the violation by United States planes of the state frontier of the Soviet Union.

SECOND U.S. NOTE

Press release 494 dated September 5

The United States Government rejects as completely without foundation in fact the allegations contained in the Soviet Government's note number 340 dated September 5, 1954. As was stated in the Embassy's note number 160 dated September 5, 1954, the U.S. Navy aircraft was on a peaceful patrol mission over the high seas some forty miles from the Siberian coast when it was attacked without warning and destroyed by two Soviet aircraft. At no time did the U.S. Navy aircraft open fire on the Soviet aircraft.²

The United States Government declares once more that it reserves rights to present claims for damages and expects that measures will be taken not only to subject those responsible to immediate and appropriate punishment but also to prevent recurrence of such wanton and unprovoked attacks.

² Subsequent information obtained by the Navy disclosed that, after the second pass by the MIG's, one of the gunners on the U.S. plane was able to get off about 100 rounds of .50-caliber ammunition.

New Atomic Energy Act

Statement by the President

White House press release dated August 30

Because of great progress in the field of atomic energy during the past 8 years, I recommended early this year¹ that the Congress modernize the Atomic Energy Act of 1946, the basic law governing our vast atomic enterprise. This new legislation was enacted by the Congress in pursuance of that recommendation.

The new act permits us, under proper security safeguards, to give our allies certain information that they must have for an effective defense against aggression. This information includes data needed for training in the use of and defense against atomic weapons and for evaluating the atomic capabilities of a potential aggressor. Agreements of this type with our allies will greatly strengthen our common defense and security.

This act also sets up procedures to encourage certain exchanges of nonmilitary atomic technology. Thus it recognizes the excellence of the atomic energy programs in certain other nations, and the groundwork is laid for wider participation in the peacetime applications of atomic energy. For example, under the act our technicians can assist friendly nations or groups of nations in building reactors for research and power.

Also reflected in the new law is the fervent desire of our people to proceed with a plan for an international atomic energy agency which would advance the peacetime applications of atomic energy, as we proposed last December to the United Nations. Although progress on this plan has been impeded by Soviet obstruction and delay, we intend to proceed—with the cooperation and participation of the Soviet Union if possible, without it if necessary.

That it is time to draw more specifically into the national atomic energy program the initiative and resources of private industry is recognized in the new law. For instance, private industry is enabled to participate more fully in the development of economic nuclear power, while the Government continues to assist this progress with basic research and the building of experimental reactors.

Debate on this legislation revealed some misunderstandings about the effect of certain of its provisions on public and private development of electrical power from the atom. I want our people to know that these provisions are designed eventually to relieve the taxpayer of the enormous cost of the commercial aspects of the enterprise, while fully protecting the public interest in atomic

¹ BULLETIN of Mar. 1, 1954, p. 303.

energy. In fact, these provisions carry into effect the 1946 policy declaration of the original Atomic Energy Act, that free competition in private enterprise should be strengthened.

As I sign this bill, I am confident that it will advance both public and private development of

atomic energy, that it will thus lead to greater national strength, and that programs undertaken as a result of this new law will help us progress more rapidly to the time when this new source of energy will be wholly devoted to the constructive purposes of man.

Recent Developments in the International Control of Narcotics

by George A. Morlock

International measures to control the legal trade in narcotics and to combat the illicit traffic therein have been taken progressively since the early years of the present century. Under the leadership of the United States the first international convention relating to narcotics was signed at The Hague on January 23, 1912. Although it was a complete instrument, the best that could be obtained, it was not adequate, and the illegal traffic in opium, morphine, heroin, cocaine, and cannabis (marihuana) grew at an alarming rate.

Perceiving that control machinery was necessary to suppress the abuse of these dangerous drugs, the nations of the world adopted another international narcotics convention which was signed at Geneva on February 19, 1925. Under this convention a board of eight was set up, members of which do not represent governments but are chosen on the basis of their individual qualifications and serve without pay. The Board watches and reports on the volume of the traffic and gives warning if drugs are accumulating excessively in any country.

Limitation of the manufacture and regulation of the distribution of narcotics were brought about in a further international convention signed on July 13, 1931, at Geneva. Control is effected by a system of estimates of narcotics requirements and statistical returns covering amounts imported, exported, manufactured, consumed, confiscated, and converted into other substances. A board of four members, called the Supervisory Body, established by this convention, passes on the estimates and publishes them each year in December for the guidance of all states and territories. This convention has been remarkably effective in controlling manufactured narcotics. Even nonparties feel the force of its provisions, for it authorizes the Supervisory Body to fix estimates for countries that are not parties and that fail to submit

estimates of their requirements. Parties to the 1912 convention number 70, to the 1925 convention, 64, and to the 1931 convention, 75.

Another organization which is important in connection with international cooperation to suppress the abuse of narcotic drugs is the Commission on Narcotic Drugs, which was created on February 16, 1946, by the Economic and Social Council of the United Nations¹ as successor to the Advisory Committee of the League of Nations on Traffic in Opium and other Dangerous Drugs. The Commission is empowered, among other things, to assist the Council in exercising such powers of supervision over the application of international conventions and agreements dealing with narcotic drugs as may be assumed by or conferred on the Council, and to advise the Council on all matters pertaining to the control of narcotic drugs, and to prepare such international conventions as may be necessary. The Commission is composed of 15 members of the United Nations that are important producing or manufacturing countries or countries in which illicit traffic in narcotic drugs constitutes a serious social problem. The present (1954) members of the Commission are Canada, Nationalist China, Egypt, France, Greece, India, Iran, Mexico, Peru, Poland, Turkey, Union of Soviet Socialist Republics, the United Kingdom, the United States, and Yugoslavia.

Appearance of Synthesized Drugs

Early in 1947 a menace arose from a new direction. Synthesized drugs to the number of 15 appeared on the market and could not be controlled under the existing international conventions. These drugs were believed to be capable of pro-

¹ Ecosoc Res. Feb. 16, 1946 (doc. E/20, Feb. 15) and Council action of Feb. 18, 1946.

ducing addiction, and action was immediately taken to remove this danger to the public health. In the short period of 14 months the United Nations, through its Commission on Narcotic Drugs, the Economic and Social Council, and the General Assembly, drafted and approved a protocol bringing under international control drugs outside the scope of the convention of July 13, 1931, for limiting the manufacture and regulating the distribution of narcotic drugs, as amended by the protocol of December 11, 1946. The new protocol was opened for signature on November 19, 1948, when it was signed by the United States and 46 other states. To date (August 1954) 28 states are parties to this protocol. Under the protocol the World Health Organization determines whether a new drug is likely to be addiction-forming and should be placed under the control of the provisions of the 1931 convention.

The position of the United States in regard to limitation of the production of the opium poppy was set forth in House Joint Resolution 241 approved by the President on July 1, 1944 (Public Law 400, 78th Congress), pursuant to which the United States Government urged all poppy-growing nations to enter into an international agreement to reduce the production of opium to the medical and scientific needs of the world.

In 1947, on the proposal of the United States representative, the Commission on Narcotic Drugs recommended to the Economic and Social Council of the United Nations that the Secretary-General be instructed to undertake the drafting of a new single convention to replace the existing treaties (Ecosoc Res. 159 D VII). Pending the adoption of such an international convention it was decided, however, to try to reach an interim agreement limiting the production and export of opium. Several meetings of representatives of the opium-producing and drug-manufacturing countries were held at Ankara and Geneva, during which a plan was introduced for the reorganization of the trade in opium and its transformation into an international monopoly. Agreement was not reached on the principles of the basic price of opium, inspection, competition from poppy straw, and manufacture of opium alkaloids in countries that produced opium.

The deadlock was broken by the representative of France, who submitted to the Commission a draft protocol relating to the production of opium based on the principles of the 1931 convention. It was decided not to resume discussion of the opium monopoly, and the Secretary-General forwarded the French draft to governments for their observations in accordance with resolution 395 B XIII of the Economic and Social Council.

U.N. Opium Conference

The United Nations Opium Conference was convened on May 11, 1953, by the Secretary-

General in accordance with a resolution of May 27, 1952, of the Economic and Social Council. Thirty-four countries attended, including both member and nonmember states, and seven additional countries were represented by observers. The Union of Soviet Socialist Republics and its satellites did not send representatives to the Conference. The Conference adopted by a vote of 27 to 0, with two abstentions, the Protocol for Limiting and Regulating the Cultivation of the Poppy Plant, the Production of, International and Wholesale Trade in, and Use of Opium, and opened this protocol for signature on June 23 and before December 31, 1953.² As of December 31, 1953, it had been signed by 36 states, including the United States.

The more important provisions of the protocol are as follows:

Raw opium, medicinal opium, and prepared opium are subject to the control measures of the protocol.

The use of opium is limited exclusively to medical and scientific needs.

States producing opium are obligated to establish government agencies to control the production, use, and trade in opium and limit the area to be cultivated.

Parties producing poppy straw must enact laws ensuring that opium is not produced from such poppies.

Exporters shall be Bulgaria, Greece, India, Iran, Turkey, the Union of Soviet Socialist Republics, and Yugoslavia. Imports are restricted to opium produced in these states.

Stocks of opium held on December 31 of any year shall be limited in respect of producing, manufacturing, and consuming countries.

Estimates of opium requirements shall be submitted to the Permanent Central Board, which assists in the control of the legitimate traffic in narcotics under the international conventions concerned with narcotic drugs.

Statistics must be submitted to the Board on the area devoted to poppy cultivation, amounts consumed and manufactured, seized, etc.

The Board is authorized to keep a close watch over the traffic in opium and to recommend or impose an import or export embargo on a party that is believed to be the center of illicit traffic. Provision is made for appeal from an embargo to a committee of three appointed by the president of the International Court of Justice.

A party may permit use of opium for quasi-medical purposes but not beyond 15 years after the coming into effect of the protocol.

A party may permit the smoking of opium by addicts not under 21, if registered for such purpose before September 30, 1953.

² For text, see *Cong. Rec.* of Aug. 20, 1954, p. 14580.

The Final Act of the Conference,³ to which the protocol is annexed and which includes 17 resolutions adopted by the Conference, was adopted by a vote of 28 to 0, with one abstention, and was signed by the representatives or observers of 34 states.

This protocol was transmitted by the President to the Senate of the United States on April 14, 1954, with a view to receiving the advice and consent of the Senate to ratification.

Public Hearing on Protocol

A public hearing was held at New York City on July 17, 1954, before a subcommittee of the Senate Committee on Foreign Relations consisting of Senator Alexander Wiley (Chairman), Senator Mike Mansfield, and Senator Homer Ferguson. Testimony was presented by Harry J. Anslinger, Commissioner of Narcotics, United States Treasury Department; David McK. Key, Assistant Secretary of State for United Nations Affairs; William Tompkins, Assistant Attorney General in charge of Internal Security; and a number of law-enforcement officials and private citizens.⁴ All of the witnesses endorsed the proposed protocol.

In his statement to the subcommittee Assistant Secretary Key said in part:

The Department of State hopes the Senate will give advice and consent to ratification of this Protocol because the Department firmly believes that the protocol will be beneficial to the United States.

It is a well-known fact that the United States is one of the principal targets of the vicious illicit international traffic in narcotic drugs. The suppression of this traffic can be attained only through international cooperation.

From the beginning of the 20th century, it has been the policy of the United States that the production of opium should be limited to the world's medical and scientific requirements. At all international conferences relating to narcotics, strong efforts have been made by the representatives of the United States to achieve this result through international action. . . .

The time had come now to extend as far as possible to raw opium and opium poppies the provisions of the 1931 Convention. Success is now within sight after years of patient effort. . . . The protocol represents an important step forward in the international narcotics control system. It will fill the gap in the 1931 convention as regards the control of opium by requiring countries to provide estimates of their needs of and statistics covering their trade in this narcotic drug. The effect will be a reduction in the quantity of opium available for the illicit traffic.

Regarding the Soviet bloc, Mr. Key said: "The Soviet bloc was not represented at the Conference.

³ For text, see *ibid.*, p. 14593.

⁴ *Hearing before a Subcommittee of the Committee on Foreign Relations, United States Senate, 83d Congress, 2d Session, on the International Opium Protocol, July 17, 1954.*

The Protocol, however, does include the Soviet Union in the list of seven states that are permitted to export opium."

Commissioner Anslinger made the following statement to the subcommittee:

The purpose of this protocol is to reduce production of opium from 2,000 to 500 tons, which represents the medical needs of the world. It is proposed that limitation be effected by national agencies owned and administered by States which will license and limit the cultivators and control all trade in opium. I might say up to this time the farmers have not been licensed in those producing countries. . . .

This treaty is about the best instrument which can be obtained at this time. There are countries like China, Burma, Thailand and Mexico where opium is grown illegally, and those governments must take firm measures to cope with this illegal production.

The protocol represents a great advance over previous treaties of which there are eight in number. For the first time there is no provision for smoking opium which has now become outlawed except for a very few areas in Pakistan and India which will be taken care of by reservations and which will be a temporary situation. In the past treaties relating to opium have served as protection for countries like Great Britain, France, the Netherlands, Portugal, and Japan, which maintained smoking opium monopolies in the Far East. . . .

The principal countries to benefit from this protocol will be the United States, Canada, Egypt, France, Italy, Germany, and many other countries which are at present suffering from an increase in drug addiction. . . .

Beginning with the first meeting of the United Nations Commission in 1946, Communist China attempted to unseat Nationalist China. Their efforts were defeated year after year. . . .

I do not believe they have any place in the Commission, because certainly they are the worst offenders. Red China represents the major source of illicit traffic for the entire world. . . .

Southeast Asia is flooded with opium from Yunnan. Japan today is suffering from the greatest flood of heroin in her history. . . . The amount of heroin that is flowing out of China is used for several purposes: to obtain foreign exchange (it is a very good means of obtaining foreign exchange, since they cannot export other commodities) and also the demoralization of people who use this deadly drug in many countries. That is certainly one of the objectives—you cannot get away from that—a poison being spread from Red China.

The Committee considered the protocol in executive session on August 7, 1954, and voted without objection to report it to the Senate.

On August 20, 1954, the Senate voted 71 to 0 to give its advice and consent to ratification of the protocol. As of August 31, 1954, Canada, China, Denmark, Egypt, France, Japan, and Panama had ratified.

A Step Forward in Narcotics Control

The protocol represents a step forward in the narcotics control system. It will limit and reduce the production of opium. For the first time statistics will be required covering the trade in opium. The requirement that estimates of needs of opium be submitted to the Board will enable the Board to watch over-production in the producing states. The fact that the Permanent Central Board is given authority to impose an import or export embargo on a country that is not complying with the protocol and is becoming the center of illicit traffic will serve as a check on producing countries.

The United States will implement the protocol by new legislation, if necessary. The Opium Poppy Control Act of 1942, as present legislation, would represent an important part of implementation of this protocol by legislation.

The present protocol, as previously stated, is an interim agreement. It is hoped that it will eventually be incorporated in the proposed single convention suggested by the United States representative on the Commission on Narcotic Drugs during the Commission's second session and approved by the Economic and Social Council in its resolution 159 VII. This resolution requests the Secretary-General of the United Nations to begin work on the drafting of a new single convention in which provision shall be made for a single body to perform all control functions, excepting those which are now or may hereafter be entrusted to the Commission on Narcotic Drugs. The Single Convention will replace the eight existing instruments relating to narcotic drugs and is expected to include provisions for the limitation of the production of narcotic drugs.

Agreement was reached by the Commission on Narcotic Drugs during its seventh session, April 15 to May 9, 1952, on the principles embodied in the first 13 articles of the proposed international Single Convention. Two bodies would be created by the Economic and Social Council under the provisions of the United Nations Charter, with provision for the Commission on Narcotic Drugs to function independently of the existence of the Council and for an International Narcotics Control Board with semijudicial functions similar to those of the present Permanent Central Opium Board. Separate secretariats would be provided for the Commission and the Board.

At its eighth session, March 30 to April 24, 1953, the Commission on Narcotic Drugs spent about half of its time on the draft Single Convention, continuing the work begun at its seventh session. The Commission considered the draft section by section, limiting its consideration to decisions on principles. Sections of the draft dealing with the functions of the proposed International Control Board, the secretariat, the national control organs,

and the control of the manufacture of and international trade in narcotics were thoroughly studied.

Work of the Ninth Session

Work on the Single Convention was resumed at the ninth session of the Commission on Narcotic Drugs, April 19 to May 14, 1954. Sections 37-43, regarding international trade, possession of drugs, measures of supervision, penal provisions, the cure of the drug habit, languages of the convention and procedure, and entry into force, were studied. The remaining sections 44 to 51 will be studied during the tenth session of the Commission next spring. The necessary procedural arrangements will be made at that time.

The Commission having to a large extent solved the problems connected with opium, opium poppies, the coca leaf, and cannabis sativa, there is reason to feel that the Single Convention may be completed within 2 years.

On the proposal of the representative of the United States, the Commission on Narcotic Drugs appointed an *ad hoc* Committee on Seizures, composed of the representatives of Canada, Egypt, Greece, India, Turkey, the United Kingdom, and the United States. It was given the task of making a preliminary study of the documents on illicit traffic which the Committee had before it and of formulating recommendations as to how the Commission could best handle this subject.

The *ad hoc* Committee, which held seven meetings, made a general review of the illicit traffic situation in various parts of the world.

It was disclosed that the volume of illicit traffic was greatest in Thailand and other parts of the Far East. The representative of India stated that most of the opium seized in India was of local origin and represented less than 1 percent of the country's production.

The Commission on Narcotic Drugs considered the situation in Thailand as unsatisfactory and noted that much of the 17 tons seized had found its way into the opium smoking dens. The source of the drug was smuggling over the northern frontier.

It was reported that great efforts were being made in Singapore and Hong Kong to combat the illicit traffic in opium. The Commission noted that cooperation between Hong Kong and the United States was excellent.

The authorities in Mexico reported that opium poppy plantations covering an area of 733,676 square meters had been destroyed between March 1953 and February 1954. The representative of the United States, Mr. Anslinger, congratulated the representative of Mexico on his report and expressed the U. S. delegation's appreciation for the excellent work of the Mexican Government.

The largest quantities of prepared opium were

reported as having been seized in India, Indonesia, Malaya, Hong Kong, and Singapore.

Seizures of heroin had been reported from Algeria, Canada, Egypt, France, Federal Republic of Germany, Hong Kong, Indonesia, Italy, Japan, Mexico, the Philippines, Trieste, Tunisia, Turkey, and the United States. The total quantity seized was reported as 135,602 kilograms. The sources reported were the Chinese mainland, France, Italy, Japan, Lebanon, Mexico, and Turkey.

The observer for Italy stated that heroin had not been manufactured in Italy since July 1951 and that its therapeutic use would soon be prohibited. In 1953 only 10 kilograms had been used licitly in Italy. A bill was before the Italian Parliament providing for severe penalties for illicit manufacturers and traffickers. At the administrative level the Italian Government had intensified the struggle against illicit traffic, and a central narcotics bureau had been set up.

Report by U.S. Representative

The representative of the United States pointed out that the heroin seized in many of the cases listed in the Secretary-General's memorandum could be traced to the Far East. Most of the heroin entering the United States came from the Chinese mainland, and the traffic in narcotics from there was a deliberate policy which was being followed by Communist China as a means of earning foreign exchange and of undermining the morale and health of the population of other countries. Opium, heroin, and morphine worth \$60 million were exported in a year. This business absorbed 200 tons of opium. A large quantity of heroin from the Chinese mainland was being sold in Japan and threatened the health and safety of the nation. North China had become one of the largest centers of opium production in the Far East and was sending large amounts of heroin into South Korea. Twenty-four hundred North Koreans, posing as refugees and carrying gold for expenses and heroin for political use, had been arrested in South Korea from April 1952 to March 1953.

The representative of China corroborated the allegations of the representative of the United States, adding that in the provinces of Honan and Hopeh 10,000 acres were used for poppy-growing and that about 1 million ounces of heroin were produced in Kwantung Province. In addition to the drug manufacturing plant near Peiping, a known factory in Szechuan was producing over 300 pounds of heroin daily.

Large seizures of cannabis were made in Lebanon, but Egypt reported a decrease in seizures owing to the good work of the Arab League. The Commission congratulated the League on the measures it had taken.

Seizures of cannabis were reported by Mexico (461 kg.) and by the United States (1,230 kg.).

Smuggling by seamen continued. The Commission reported that the United States had submitted a list of seamen convicted of illicit trafficking and urged other states to do likewise.

The Commission recommended to the Economic and Social Council the adoption of a resolution inviting governments to coordinate their efforts to combat illicit traffic, drawing attention to the work of the International Criminal Police Commission, and requesting them to furnish that organization with any information relating to persons involved in illicit traffic which might be of international value.

Tracing Origin of Opium

Scientific progress was reported to the Commission in regard to the determination of the origin of opium. A Canadian chemist, for instance, had been furnished with 20 samples of opium with no indication of place of production. He was able in the course of a day's work to determine accurately the place of origin of each sample. Pleased with the progress made, the Commission recommended that a United Nations laboratory should be established in order that the Secretariat may be able to increase the number of analyses it can make. This scientific work will greatly aid in combating world illicit traffic.

Noting the statements made by the representative of Peru and others regarding the harmful character of coca leaf chewing and the policy of progressive abolition of the practice, the Commission recommended that the technical assistance services of the United Nations give favorable consideration to any requests which the countries concerned may make for assistance in developing their suppression programs.

The Commission agreed with the Expert Committee on Drugs Liable To Produce Addiction that "there is no justification for the medical use of cannabis preparations" and recommended that such use be discontinued as rapidly as possible. It also invited the governments concerned to conduct experiments with a view to studying the possibility of finding a plant which does not contain harmful resin to replace cannabis sativa L. in the production of fibre.

Recognizing the harmful character of diacetylmorphine and noting the statement of the Sixth World Health Assembly that diacetylmorphine is not irreplaceable for medical practice, the Commission urged governments to prohibit the manufacture, import, and export of diacetylmorphine and its salts, preparations, and preparations of its salts.

Great efforts are being made in a number of countries to prevent and eliminate drug addiction. The Commission stressed the importance of governments setting up means for the treatment, care, and rehabilitation of drug addicts on a planned

and compulsory basis in properly conducted institutions. The United States has hospitals at Lexington, Ky., and Fort Worth, Tex., for such purpose.

Constant pressure is being exerted on the drug traffickers, and the supply of narcotics for illegal purposes is gradually drying up. International cooperation is the key to the winning of this long fight, but individual states must furnish their full assistance.

• *Mr. Morlock, author of the above article, is a Foreign Affairs Officer in the Office of International Economic and Social Affairs.*

President's Views on Foreign Economic Policy

White House press release dated August 26

The White House on August 26 made public the following exchange of correspondence between the President and Harry A. Bullis, chairman of General Mills, Inc., Minneapolis, Minn.

The President to Mr. Bullis

DEAR HARRY: Many thanks for your good letter expressing as it does your sincere interest in a most vital problem confronting our country.

As you know, I fully share your view as to the splendid accomplishments of the Congress in translating so much of my legislative program into reality during the session recently concluded. Several of these enactments required of the Congress the setting of new directions and a fresh pace. That is always a time-consuming and often exacting process.

With respect to the foreign economic policy aspects of the program, it was unavoidable that they reached the Congress well along in the session. Time was not available to consider them adequately. I want to emphasize, however, that my Message of March 30, 1954 to the Congress on this subject¹ remains firmly the Administration position. It is my present intention to give high priority to progress in this whole field in planning for next year's legislative program.

The events of every day bear in heavily upon us the imperative necessity of building stronger economic relations between ourselves and the free world. This is true, first because the growth of our own economy and the attainment of rising standards of living for our people can materialize only in step with economic growth and improve-

ment in the economies of the free world linked to ours. It is more emphatically true because it is in our enlightened self-interest to have economically strong friends throughout the world. The prudent widening and deepening of the channels of trade and investment by us will not only produce good results in themselves but will encourage similar action by our friends abroad. That is the route to better markets and better feeling.

I note what you say on the watch tariff decision.² That case, as with the more recent one on lead and zinc,³ was decided solely on its merits under the law in the light of the United States Tariff Commission's report and with the advice of interested Departments and Agencies of the Executive Branch.

I welcome your support and the support of the many who like you believe that the proposals of my Message of last March are still in the best interest of our people.

Sincerely,

DWIGHT D. EISENHOWER

Mr. Bullis to the President

DEAR MR. PRESIDENT: Now that the 83rd Congress has completed its work and the full record of its activities has been written, it is clear that a tremendous part of your forward-looking program has been enacted into law. The accomplishments in agriculture, taxation, social security, unemployment insurance, transportation, atomic energy, and other fields are significant and memorable.

In the field of foreign economic policy, some progress was also made. The one-year extension of the Trade Agreements Act will permit the negotiations with Japan to go forward. I was glad to see also that the Congress authorized a complete study of customs classification. Obviously, the Congress had too much to do on major pieces of the program presented prior to your foreign economic policy message of March 30 to deal adequately with it.

Some of your friends are concerned about the place this program occupies for the year ahead. Some too, fearful of the consequences of the watch tariff decision, are anxious to be reassured that your Message still constitutes the charter of your Administration's foreign economic policy. It might be useful, as you have the opportunity, to get the thinking clear and the record straight again on that issue.

My warmest appreciation for your magnificent efforts in the service of our beloved land.

Sincerely,

HARRY A. BULLIS

¹ BULLETIN of Apr. 19, 1954, p. 602.

² *Ibid.*, Aug. 23, 1954, p. 274.

³ *Ibid.*, Sept. 6, 1954, p. 339.

Revisions in Battle Act Embargo List

The Foreign Operations Administration on August 25 announced revisions in the Battle Act embargo list, the list of goods which the U.S. Government believes the free world should withhold from the Soviet bloc.

In announcing the revision, Director Harold E. Stassen stated: "I am convinced that this revision, which has been made with the concurrence of the Departments of State, Treasury, Defense, and Commerce, and approved by the President, will result in a net advantage to the free world of expanded peaceful trade and more effective control of the war potential items. It is a move in the best interests of the United States."

The Battle Act, or Mutual Defense Assistance Control Act of 1951, directs that the embargo list "shall be continuously adjusted to current conditions on the basis of investigation and consultation."

The new embargo list went into effect August 25. The list reduction will bring no change in controls over shipments to Communist China. No munitions or atomic energy items are being removed from the list. The same is true of machinery and equipment especially designed for the manufacture of armaments. Some new items which embody recent technological advances are being added to the list.

Reduction in Number of Items

The net result of the revisions is a reduction from 297 embargo items to 217. Many of the 217 items remaining on the Battle Act embargo list have been redefined in such a way as to split off certain less important sizes and types of goods covered by the item, while keeping the embargo rating on the more important sizes and types. In a number of cases the coverage of an item has been expanded.

Mr. Stassen said: "The new list grows out of (1) the conclusion of the U.S. Government a year ago that the free-world system of security trade controls needed a thorough reappraisal in the light of changing world conditions; and (2) long and painstaking reviews of commodities on an inter-agency basis in our government and by a group of 15 cooperating countries."

The Battle Act embargo list is sometimes called the "Title I" list. Many of the materials no longer under embargo are being placed on another Battle Act list called the "Title II" list, which includes goods of lesser importance which are usually under quantitative control or careful surveillance rather than embargo.

On August 16 a new international embargo list, worked out by 15 governments in 4 months of discussions, went into effect. The U.S. Government, as an active member of the group, considers that the security interests of the United States and the free world are adequately safeguarded by the agreements reached, which have preserved the cooperative nature of the control program and which include not only list changes but also measures for stronger enforcement. Therefore the new Battle Act embargo list will closely approximate the new international embargo list, though it will not be identical with that list in all respects.

In this connection, Mr. Stassen made the following statement:

Our revision of the Battle Act embargo list is a necessary part of the job of putting the free world's security trade controls on a more durable and more effective basis for the long haul.

As I have previously announced, the cooperating countries have unanimously agreed, after months of negotiations at Paris, to reduce their commonly accepted commodity control lists and to strengthen enforcement with respect to the important items remaining under control.

Battle Act list changes are unilateral decisions of the United States Government. They are made after the fullest consultation among interested agencies, including the Departments of State, Defense, and Commerce. Because of the multilateral character of the control program, we also exchange information and consult with our allies and take into account all pertinent considerations in the international situation.

Those considerations are discussed in chapter V of the fourth semiannual Battle Act report, published in May, and entitled *East-West Trade Trends*.¹

The considerations include the vital necessity of preserving the unity and cooperation of the free world in the face of Soviet efforts to create division; the probability of a long period of tension short of general war; the need of putting the con-

¹ For text of chapter V, see BULLETIN of May 31, 1954, p. 843.

New Policies on U.S. Security Export Controls

Secretary of Commerce Sinclair Weeks on August 26 announced important policy decisions relating to U.S. security export controls. Mr. Weeks stated:

"The main objective of export controls is to prevent export of goods to the Soviet bloc which would build up its military potential. This policy will continue. However, the new policies (detailed below), which relieve American exporters from many burdensome administrative restrictions on trade with friendly countries, will benefit substantially both U.S. business and friendly countries."

He explained further that this action has been made possible by the institution of measures by cooperating friendly countries for stricter control of exports to the bloc and the prevention of unauthorized diversions and transshipments. U.S. exporters, as a result of this action, will be placed on a more equitable, competitive basis with foreign traders. The action accords with the Government's policy of removing unnecessary restrictions on the business community to the fullest extent consistent with national security.

In commenting on his announcement relating to U.S. exports to Eastern European countries, Mr. Weeks stated his belief that the new policies may provide an opportunity for increased trade. An early increase in volume of trade with the Soviet bloc resulting from this action is, however, unlikely in view of the bloc's aim of self-sufficiency and its inability to provide desired goods in exchange for imports.

The Secretary of Commerce indicated that recent international agreements between friendly countries and the United States provide a basis for the policy designed to:

- 1) Shorten the list of goods which will be embargoed from the United States to European Soviet bloc countries, and provide an opportunity for increased trade in peaceful goods.
- 2) Continue the embargo of those goods which are of importance to the military capacity of the Soviet bloc.
- 3) Provide a basis for stricter and more effective enforcement.
- 4) Remove many administrative restrictions on exports from the United States to friendly countries, in order to promote U.S. international commerce.

- 5) Maintain without change the current embargo on all shipments from the United States to Communist China and North Korea.

Mr. Weeks explained that these policy changes follow the reappraisal by the Government some months ago of U.S. security export controls and the completion of intensive reviews of East-West controls, security lists, and techniques by this Government in Washington and in Paris, where the U.S. joined with 14 major trading nations of the free world in reviewing their cooperative controls of exports to the Soviet bloc.

These reviews have been made under security considerations providing for control of those items which are of significance to the military capability of the Soviet bloc, taking into account the likelihood of a longer-range period of international tension, important international developments, recent technological developments, and latest information concerning Soviet bloc military potential and needs. A considerable number of items having little or no security significance have been dropped from the embargo classification. On the other hand, some new items of security significance have been added. In some instances, descriptions of items and categories have been altered in the interest of clearer understanding and better enforcement. The shortening of the list of security items is expected to improve even further the system of enforcement internationally maintained by the U.S. and its allies. In addition, new and better enforcement measures have been agreed to by the entire group of cooperating countries, with the full participation of the U.S.

The August 26 announcement will result in the removal of a number of commodities from the Positive List of Commodities, published by the Department's Bureau of Foreign Commerce. Exporters may then ship these deleted items to friendly countries without applying to the Department of Commerce for validated export licenses. These deletions will be announced shortly in a Current Export Bulletin.

Exporters will still be required to obtain export licenses, however, before sending any goods, whether or not on the Positive List, to the Soviet bloc. Applications for export licenses will be reviewed carefully and decisions made on the basis of safeguarding national security.

control system on a long-term basis with the continuing support of the Western trading community; the need to keep open every path that might conceivably help the world to move gradually toward a sounder basis for peace; the massive upswing in free-world strength and production, causing a growing need for new markets; the decline of U.S. aid to free countries; the economic benefits that our allies get from trading in non-military items with the Soviet bloc; the fact that some items have assumed greater or lesser strategic importance and should be reclassified; the fact that a shorter and simpler control list would be easier to enforce.

Battle Act lists have a purpose different from the lists drawn up by the Commerce Department, which are used in the control of exports from the United States itself. The Commerce Department plans an announcement on U.S. export controls shortly [see box].

New International List

As for recent agreements on revising the international control system, information on the changes was disclosed by Mr. Stassen in a news conference on July 22 and by Peter Thorneycroft,

President of the British Board of Trade, in the House of Commons on July 26.

They emphasized that new and stronger enforcement measures have been agreed to, along with the list revisions. Countries which have freely permitted the transit of goods will take additional steps to prevent embargo-type goods from being transshipped to the Soviet bloc, and other countries will take steps to prevent their residents from engaging in transactions which result in embargoed goods going to the bloc, regardless of where the goods originate.

What is generally known as the international embargo list, which is composed largely of industrial production materials, is being reduced from about 260 to 170 items. However, those figures do not include armaments, atomic energy materials, and certain other items which are not exclusively or predominantly armaments or atomic energy materials but which could be used in warfare or which have some significant atomic energy application. All those are listed separately by the group of nations and are tightly embargoed by all our allies. However, the Battle Act embargo list now being reduced from 297 to 217 items does include such items, with those that are exclusively or predominantly armaments or atomic energy materials segregated in a special category called "Category A." All other Battle Act embargo items are in "Category B."

If a country receiving U.S. military, economic, or financial aid should permit the shipment of a "Category A" item, the termination of this aid would be mandatory. If "Category B" items are shipped, the President may continue aid to the country if he finds that the termination of aid would be detrimental to U.S. security.

The international quantitative control list is being cut from about 90 to about 20 items, and about 60 additional items will be kept on a watch list so that the countries can keep close check on the export trends. Such items are covered in the Battle Act Title II list.

Although the Battle Act embargo list applies to shipments to every part of the Soviet bloc, the present changes reduce the scope of controls only on trade with the U.S.S.R. and its European satellites. This is because the international embargo on strategic trade with Communist China under the United Nations resolution of May 18, 1951, is much more extensive than the Battle Act lists and has not been relaxed by the cooperating nations.

Full details of the Battle Act list changes are being transmitted to six committees of Congress.

Titles I and II

There are two parts to the Battle Act embargo—or Title I—list.

Category A, having 23 items, is composed of 12 items—really classes of items—of arms, am-

munition, and implements of war, and 11 items exclusively or predominantly of atomic energy significance. Only relatively minor changes are being made in Category A. (The new version of Category A is given in full below.)

The Category B part of the embargo list contains items considered to be of primary strategic importance, even though not exclusively or in some cases even predominantly of military or atomic energy application. As mentioned earlier, the Category B list has been significantly pruned.

The Title II list includes goods of lesser importance which the United States believes should be subject to quantitative control or careful surveillance, not necessarily embargoed.

Because of the exhaustive review of international lists which the 15 governments have been conducting in Paris, the U.S. Government, in revising the Battle Act lists, has had the benefit of all the relevant intelligence, technical, trade, and other information that the United States and the other participating countries have been able to muster. These Battle Act list revisions take into account not only the information provided by our allies but also their evaluation of the importance of controlling specific commodities.

Items included on either the Title I, Category B, list or the Title II list are generally those which are designed or used principally for the production of armaments or atomic energy materials, or incorporate advanced technology which ought to be denied to the Soviet bloc, or are essential to the war production base of the Soviet bloc and critically short there.

The general rule is that items considered highly important for direct military use or which incorporate advanced technology related to war production are put on the embargo list. Other items considered important because of their potential contribution to the military production base are put either on the embargo list or on the Title II list, depending on whether a lesser degree of control than embargo will be adequate.

Basis for Listings

The process of determining Battle Act listings is a complex one involving the collection, assimilation, and evaluation of all relevant technical, intelligence, trade, and other information. This process must also be a continuing one, always taking into account new information and new evaluations, both in the United States and abroad. The Battle Act lists will, of course, be kept under continuing reexamination, as the law requires.

The Battle Act embargo listings themselves are in many cases quite complicated. The definitions involve specifications of size, type, and performance which would be confusing to the layman but which represent a strategic judgment as to which varieties require embargo and which warrant a lesser degree of control or decontrol.

In determining Battle Act listings, the least difficulty is encountered in identifying items of special design for military production.

With respect to items incorporating advanced technology, this involves a judgment as to whether the bloc has this technology and what contribution it would make to their military capabilities.

The greatest difficulties arise in the evaluation of items of dual use, i.e. civilian use as well as military. These have to be evaluated in terms of questions such as whether the military applications are highly important within the Soviet bloc, and whether the Soviet bloc deficiency is of such a nature that denial will primarily affect the military sector of the Soviet bloc economy rather than the civilian.

What has been done is illustrated by brief comments on the various categories of items.

In the metalworking machinery group, while certain types of boring and turning mills are embargoed, smaller sizes of the item are subject to a lesser degree of control on the basis of analysis of Soviet-bloc technology and military production. With respect to lathes, certain types are retained on the embargo list while others, which incorporate no advanced technology and are in fact produced in ample quantities in the Soviet bloc, were deleted from the list. The machine tools covered by the embargo are basic to the mass production of aircraft, ordnance, and other implements of war, as well as the production of highly specialized equipment having important military uses.

In the chemical and petroleum equipment group, the embargo rating has been retained on the key materials and components of war-chemicals production and those of significance to atomic-energy production. At the same time common types of parts and equipment widely produced throughout the world, including the Soviet bloc, have been removed from a controlled status. Because of advances in technology, certain new items have been added to this group, such as titanium-producing equipment and certain important materials made from new types of plastics.

The revised electric power equipment group in the embargo list includes heavy power-generating equipment which is significant to the Soviet-bloc war potential, but excludes such items as outboard motors, condenser tubes, and smaller sizes of motors, generators, and diesel engines.

Industrial Equipment

A number of items in the general industrial equipment group have been deleted. For example, only one specialized type of heavy tractor was retained on the embargo list because the Soviet bloc is a very large producer and even an exporter of many types of tractors. On the other hand, certain kinds of equipment such as rolling mills,

which are basic to any advanced industrial economy and therefore to military capabilities as well, are retained on the embargo list.

In the field of transportation, items such as flat cars, tank cars, well cars, and rails no longer have an embargo rating but are subject to quantitative control or surveillance and are listed under Title II. While these items are important to the economic and military life of any country, an analysis of Soviet-bloc supply led to the conclusion that embargo was not necessary at this time. The new embargo list retains the turbine type of locomotive; other types are covered under Title II. Naval vessels and tankers previously embargoed remain on the list; certain types of fishing and merchant vessels have been added. Exports of ships of other types, specifications, and speeds are subject to restrictions but are not embargoed.

Most types of precision instruments and electronics equipment on the embargo list have been retained because of their importance from the standpoint of strategic considerations and advanced technology. The coverage of some items in this group has been broadened. A few items such as absorption meters, micro-hardness testers, and oscillographs were deleted.

In the metals and minerals group, a number of items were found to be in adequate supply within the bloc and were therefore deleted. Platinum, for example, was removed from the embargo list inasmuch as the U.S.S.R. is the world's largest producer. Other items deleted were cadmium, calcium, sodium, strontium, vanadium, asbestos, and mica. Minerals and metals of basic importance to Soviet military power, such as aluminum, copper, nickel, molybdenum, cobalt, magnesium, tungsten, and titanium, a material now of special interest in jet engine development, remain on the Category B embargo list. Other strategic minerals of major significance to atomic energy remain on the Category A embargo list.

In the field of chemical products some items such as permanganates, phosphoric acid, liquid gum inhibitors, and petroleum coke were removed from the embargo list upon close examination of the Soviet bloc production and use patterns. Those retained under embargo are of major importance in modern manufacture of explosives and propellants.

The highly refined petroleum products are retained on the embargo list, while others, such as crude petroleum and diesel oil, are under lesser but nevertheless careful control. The Soviet bloc is of course a large producer of petroleum and has made repeated offers and sales to the Western world.

In the case of rubber and miscellaneous products, the embargo on tires was revised on the basis of the military application of different types and sizes. The nonmilitary types were removed from the embargo list inasmuch as the Soviet bloc production of most types of tires is adequate to meet its needs. Natural rubber remains on the

Title II list in order to maintain careful surveillance over the quantities of this item which are made available to the bloc.

Description of Category B List

The following is a generalized description of the Category B portion of the new embargo list (the entire list is not given in detail, but this will give an idea of its scope):

Metalworking machinery—Machines and equipment specially designed for manufacturing arms, ammunition, and implements of war; jig boring machines; contour profile grinders; jig grinders; lap radial grinders; thread grinding machines; spar millers; armor plate planers, military-type jigs.

Larger sizes or more advanced or specialized types of the following: vertical boring and turning mills; deep hole drilling machines and drills; internal cylindrical, surface, and roll grinding machines; grinders for broaching machines; turret lathes; automatic, spinning, combination tube boring and turning, and engine lathes; thread milling machines; combination millers and planers, forging hammers; presses; wire, tubing, and strip machinery; and machines for plate working, metal cutting, broaching, gear making, honing and lapping, profiling and duplicating.

Chemical and Petroleum Equipment—Equipment for the production of military explosives; centrifugal countercurrent solvent extractors; plant and equipment for the production of titanium metal.

Important sizes and types of the following: equipment and components for the production of nitrogen tetroxide, antibiotics, hydrogen and deuterium oxide, liquid oxygen and hydrogen; compressors, pumps, valves, pipe, and tubing; equipment for oil well drilling, oil refining, production of lubricants, and treatment of natural gas.

Electrical and Power Generating Equipment—Large sizes of electric turbines and generators; special types of diesel engines and electric motors.

General Industrial Equipment—Metal rolling mills; industrial diamonds; and certain types of heavy tractors and excavating equipment, soil compactors, diamond tools, and coaxial cable machinery.

Transportation Equipment—Centralized traffic control systems; turbine locomotives and important types of four-wheel drive automotive vehicles; various types of ships, including floating docks, tankers, whaling factories, warships, and certain sizes of icebreakers, fishing vessels, passenger and cargo ships; compasses and marine steam boilers having strategic characteristics; mine-sweeping equipment; and important types of cable.

Electronics and Precision Equipment—Aircraft

communications equipment; radar equipment; ultrasonic wave communication apparatus; jamming apparatus; equipment for controlling aircraft and guided missiles; panoramic radio receivers.

Important types of telegraph equipment, amplifiers, cable, measuring instruments, electronic tubes, radio and TV transmitters, magnetic recorders, computers, and photographic equipment.

Metals, Minerals, and Their Manufactures—Brass and bronze fabrications for munitions; scrap iron and steel; germanium; titanium; molybdenum; columbium; cobalt.

Various nonferrous and steel alloys; important types and products of aluminum, copper, nickel, magnesium, tantalum, tungsten, magnetic material, and antifriction bearings.

Chemical and Petroleum Products—Hydraulic fluids; barium nitrate; dinitrotoluene; hydrazine; picric acid; silicon oils.

Specified types of detonating or priming mixtures, stabilizers for explosives, and glycols.

Gasoline, kerosene; lubricating oils; blending agents for aircraft fuels; tetra-ethyl lead.

Rubber Products—Butyl synthetic rubber; military types of tires; water-lubricated bearings made with Buna N compounds.

Miscellaneous—Nylon parachute cloth; certain types of raw optical glass; paper for dielectric use.

Battle Act Title I List—Category A

100—199 SERIES: ARMS, AMMUNITION AND IMPLEMENTS OF WAR

Item No.	Description
101	Rifles, carbines, revolvers, pistols, machine pistols, and machineguns designed specifically for military use; and all specifically designed components and parts therefor.
102	Guns, howitzers, cannon, mortars, rocket launchers, military flame throwers, smoke, gas and pyrotechnic projectors, recoilless rifles designed for military use; and all specifically designed components and parts therefor.
103	Ammunition and all specifically designed components and parts thereof for the arms enumerated under 101 and 102 above.
104	Bombs, torpedoes, grenades, rockets, mines, guided missiles, and depth charges, designed for military use, apparatus and devices specifically designed for the handling, control, activation, discharge, detonation or detection thereof; and all specifically designed components and parts therefor.
105	Fire control, infrared and other night-sighting equipment, military range, position and height finders; spotting instruments, aiming devices, bomb sights, gun sights and periscopes designed for the arms, ammunition, and implements of war enumerated in this list; and all specifically designed components and parts therefor.
106	Tanks, military-type armed or armored vehicles, armored trains, military half tracks, military-type tank recovery vehicles, tank destroyers, gun carriers, all mobile repair shops designed to service military

equipment; and all specifically designed components and parts for such vehicles.

- 107 Toxicological agents, the following:
(a) Biological or chemical toxicological agents intended only for military use;
(b) Equipment designed for the dissemination and detection of substances included in (a) and defense therefrom.
- 108 Propellants and explosives, the following:
(a) Propellants specifically designed and manufactured for the articles enumerated in items 103, 104, and 107;
(b) Military high explosives.
- 109 Vessels of war, the following:
(a) Combatant vessels or vessels designed for offensive action;
(b) Equipment specifically designed for the laying, detection, detonation, and sweeping of mines;
(c) Submarine nets.

(Note: Components and parts for the foregoing, included in this list, shall mean: turrets, naval gun mounts; accessories and attachments shall mean: submarine storage batteries and catapults.)

- 110 Combatant aircraft of all types or aircraft designed for offensive action, or parts or components thereof which are peculiar to the offensive mission.
- 111 High power radar; electronic countermeasure equipment designed exclusively for military use; underwater sound equipment except that used for depth determination and avoidance of navigational hazards; and all specifically designed components and parts.
- 112 Military electronic computing devices.
- 200-299 Series: ATOMIC ENERGY MATERIALS
- 201 Fissionable materials, *including* but not limited to:
(a) Plutonium;
(b) Uranium enriched in the isotope 233 or in the isotope 235;
(c) Any material artificially enriched by any of the foregoing.
- 202 Uranium metal; thorium metal.
- 203 Metals, alloys, and compounds containing uranium or thorium, (*excluding* (i) alloys, not containing uranium, but containing less than 1.5 percent of thorium by weight; and (ii) medicinals).
- 204 Minerals, raw and treated (including residues and tailings) which contain by weight at least 0.05 percent of uranium or thorium or any combination thereof, *including* but not limited to:
(a) Monazite sand and other ores containing thorium;
(b) Carnotite, pitchblende and other ores containing uranium.

- 205 Deuterium and compounds, mixtures and solutions containing deuterium, *including* heavy water and heavy paraffin, in which the ratio of deuterium atoms to hydrogen atoms exceeds 1:5000 by number.
- 218 Equipment specifically designed for the separation of isotopes of uranium.
- 219 Cyclotrons, belt-type electrostatic generators (Van de Graaff machines), synchro-cyclotrons, betatrons, synchrotrons, linear accelerators and other electro-nuclear machines capable of imparting energies in excess of 1,000,000 electron volts to a nuclear particle or an ion; and magnets specifically designed therefor.
- 220 Radiation detection instruments and components of the following types, designed or capable of being adapted for detection or measurement of nuclear

radiations, such as alpha and beta particles, gamma radiations, neutrons and protons:

- (a) Proportional counters;
(b) Neutron counters, containing boron, boron trifluoride, or hydrogen;
(c) Scaling units and rate meters, suitable for use in radiation detection;
(d) Scintillation counters incorporating a photomultiplier tube.
- 222 Ion separators, electromagnetic, *including* mass spectrographs and mass spectrometers for any purpose.
- 223 Acceleration tubes and focusing tubes of the kinds used in mass spectrometers and mass spectrographs.
- 224 Positive ion sources suitable for use in cyclotrons, mass spectrometers, and the like.

Changes in Positive List of Commodities

Exporters now may ship more than 650 additional commodities to most countries without applying for individual export licenses, the Bureau of Foreign Commerce, U.S. Department of Commerce, announced on August 29. The Bureau's new Positive List of Commodities will contain 787 entries compared to a total of 1,450 entries previously listed.

Items removed from the Positive List, effective August 26, include many rubber, petroleum, steel, and mineral products; ores and metals and manufactures; industrial, electrical, construction, and agricultural machinery; machine tools; motor vehicles; chemicals; medicinals; and scientific and professional instruments.

Individual export licenses will continue to be required for shipments to Hong Kong, Macao, the Hanoi-Haiphong Enclave and the Communist-controlled area of Indochina, and the Soviet bloc. Shipments to other countries may be made under general license GRO without prior application to the Bureau.

These relaxations do not apply to the total embargo against shipments from the United States to Communist China and North Korea, which continues in effect.

At the same time the Bureau of Foreign Commerce announced that, effective September 7, approximately 30 commodities, including certain steam engines, coal tar products, industrial machinery, and chemicals, are added to the Positive List. Some of these commodities require validated licenses for shipment to any destination except Canada; others require individual export licenses only for shipment to countries outside the Western Hemisphere.

These actions are in line with export policy decisions announced August 26 by Secretary of Commerce Sinclair Weeks and are designed to remove administrative restrictions on U.S. trade with friendly foreign countries while continuing embargo of those goods which are of importance to the military capacity of the Soviet bloc.

World Bank Loan to Mexico

The International Bank for Reconstruction and Development announced on August 24 that it had made a loan of \$61 million on that date to the Pacific Railroad of Mexico for equipment needed for an extensive program to rehabilitate and modernize the railroad.

Two commercial banks in the United States are participating in the loan, without the International Bank's guaranty, to the extent of \$2,420,000. The Bank of the Manhattan Company is purchasing \$1 million of the first maturity falling due June 1, 1959, and the Chemical Bank & Trust Company is purchasing \$1,420,000 of the loan—the \$210,000 remaining of the first maturity, and all the second maturity of \$1,210,000, falling due December 1, 1959.

The railroad (Ferrocarril del Pacifico, S. A. de C. V.) serves the northwest coast of Mexico. It runs some 1,200 miles from Nogales on the Arizona-Mexican border to Guadalajara, Mexico's second largest city, and there joins the National Railway line to Mexico City. The railroad traverses one of Mexico's most rapidly growing and important agricultural areas, which depends heavily on the railroad to carry its products to markets in Mexico and the United States and to bring in manufactured goods. The annual tonnage of freight has more than doubled, rising from 860,000 to 1,800,000 tons between the years 1936-40 and 1951-52. However, maintenance and replacement of track and rolling stock have failed to keep pace with the greatly increased demands of the region, and extensive rehabilitation and modernization of the railroad is now imperative.

The rehabilitation program includes the relaying of almost the entire track, repairing bridges, replacing steam with Diesel locomotives, the purchase and repair of freight cars, and the modernization of the communications system. It is estimated that the entire program will cost the equivalent of about \$80 million and will take 4 years to complete.

The Bank's loan of \$61 million will pay for the import of 33 Diesel locomotives for all-purpose use, 31 Diesel locomotives for light service, 684 freight cars, four million railroad ties, 170,000 short tons of rail to re-lay about 1,000 miles of track, other track material, and communications and shop equipment. Local currency costs will be met from equity investment by the Mexican Government and by the reinvestment of earnings.

The railroad, built early in this century, was owned by the Southern Pacific Railroad Company of the United States until 1951, when it was sold to the Mexican Government. It provides the only rail service in the agricultural states of Sonora, Sinaloa, and Nayarit; it also serves the important west coast ports of Guaymas and Mazatlán. For over 600 miles, from Empalme to Roseta, the line crosses flat, fertile coastlands containing approxi-

mately 8.5 million acres suitable for agriculture. About 1.75 million acres are now irrigated, and projects now being carried out or planned for the future are expected to raise this figure to more than 4.5 million acres in the next 10 years. Within the past few years, this region has become Mexico's "breadbasket" and an important source of winter vegetables for the United States. The principal crops of the area include cotton in Sonora, wheat in Sonora and Sinaloa, and corn, beans, and other vegetables in Sinaloa and Nayarit. In Sonora, livestock production is also important. About 85 percent of Mexico's total fish catch is landed at ports on the Gulf of California which are serviced by the railroad. Increased production of wheat and cotton in the area is having a beneficial effect on Mexico's balance of payments; imports of wheat have been nearly eliminated, and cotton has become Mexico's leading export.

Mexico's economic position is basically strong in view of its rich natural resources, diversified exports, high tourist earnings, and near self-sufficiency in food, raw materials, and many manufactures. Nevertheless, in 1952 and 1953 prices of raw materials fell and earnings from tourism declined, while imports remained high partly because droughts made it necessary to import more food. The trade deficit increased sharply in the early months of 1954, and in April the Government decided that it was necessary to devalue the peso from 8.65 to 12.50 per dollar.

The loan is the fifth which the Bank has made in Mexico and brings the total of Bank lending in that country to \$141,300,000. The earlier loans were principally for the purpose of financing the expansion of electric power facilities by the Federal Electricity Commission and by the Mexican Light and Power Company.

New Chancery at Karachi

Press release 485 dated August 30

The President on August 26, 1954, signed the supplemental appropriation bill. This bill included a sum of \$500,000 for the construction of a new American chancery building for the American Embassy at Karachi, Pakistan.

The action of the Congress in approving this bill reflects this Government's appreciation of the Government of Pakistan's generous offer to provide the United States with the labor necessary to complete the building as evidence of gratitude for grant emergency wheat aid.¹

This is another concrete expression of the deep bond of friendship which exists between the two countries.

The U.S. Government is now in a position to proceed with plans for construction.

¹ BULLETIN of May 17, 1954, p. 760.

U.N. Command Asks Communists To Account for 2,840 Prisoners

Following is the text of a statement made on August 17 at a meeting of the Military Armistice Commission at Panmunjom, Korea, by Rear Admiral T. B. Brittain, senior U.N. representative on the Commission.

On the ninth of September, 1953, we presented to your side a list of the names of United Nations Command personnel who, according to our best available information, were prisoners of war held by your side in the months immediately preceding the end of active hostilities in Korea and who were not returned to our side in the programs of prisoner exchange. As subsequently amended, the list currently in your hands totals 3,405 individuals. The reason that we gave you these amendments from time to time was because of our sincere desire to provide your side with the most accurate information possible so that a satisfactory accounting could be made by your side for these prisoners of war.

Because of the fact that additional information has recently become available which warrants the deletion of a considerable number of names from the list currently in your possession and since further amendments to the original list might create confusion, we have prepared a completely new list for your use. This new list supersedes and replaces all previous information we have presented you on this subject. I now hand you a list containing the names of 2,840 United Nations Command personnel who we are convinced were in your hands and whom we consider as not having been accounted for in a satisfactory manner. The names of persons of Korean nationality are listed in the Korean language, all others are listed in English.

The difference between this new list and previous lists furnished amounts to 418 United States personnel, 1 British soldier, and 146 Republic of Korea personnel. These deletions are largely persons determined to be deceased or, particularly in the case of some of the Korean persons, found to have been repatriated.

The United Nations Command is desirous of securing a complete report as to the current status of each of these persons. If they are currently held in North Korea, Manchuria, China, or elsewhere, the location of the place of custody and the reason therefor is requested. If they are deceased, that information should also be furnished together with any additional details available regarding cause of death and place of burial, including an indication that the remains will be returned in the exchange program beginning on 1 September 1954.

During the recent negotiations at Geneva it was developed that certain of the prisoners are being held in China. We are particularly interested in

obtaining information regarding these individuals. Since their captive status resulted from the conflict in Korea, it is appropriate that the necessary exchange of information concerning both the place of detention and reason therefor be conducted here in this commission. It is requested that for each name in this category the reason for detention and the time and place of their expected release be furnished to our side.

The families of the personnel in this unaccounted-for category are anxious to reach an early and satisfactory settlement of this entire problem. Accordingly, immediately upon receipt from your side of a complete accounting by name for each of these 2,840 United Nations Command personnel, in return and as evidence of our sincerity in desiring to exchange the most complete information available on the present status of former prisoners of war, we are prepared to present to your side an explanation by individual name for the 98,739 personnel of your side on the list you submitted to our side on 21 September 1953. It is proposed that this exchange of information will be reciprocal and simultaneous. Such an exchange of information will contribute greatly to the successful accomplishment of our mission of negotiations here in the Military Armistice Commission. I await your reply as to when you expect to be able to furnish the information we have requested and thereby expedite the receipt of the information you desire regarding your list.

Current U.N. Documents: A Selected Bibliography¹

Security Council

Letter Dated 2 July 1954 from the Representative of Israel Addressed to the President of the Security Council. S/3260, July 2, 1954. 1 p. mimeo.

Letter Dated 27 June 1954 from the Chairman of the Inter-American Peace Committee Addressed to the Secretary-General. S/3256, July 6, 1954. 5 pp. mimeo.

Cablegram Dated 5 July 1954 from the Chairman of the Inter-American Peace Committee Addressed to the Secretary-General. S/3262, July 6, 1954. 1 p. mimeo.

Letter Dated 5 July 1954 from the Alternate Representative of Lebanon on the Security Council Addressed to the President of the Security Council. S/3264, July 7, 1954. 2 pp. mimeo.

Cablegram Dated 9 July 1954 from the Minister for External Relations of Guatemala to the President of the Security Council. S/3266, July 12, 1954. 1 p. mimeo.

Communication Dated 8 July 1954 from the Chairman of the Inter-American Peace Committee to the Secre-

¹ Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N. Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

- tary-General Transmitting the Committee's Report. S/3267, July 13, 1954. 75 pp. mimeo.
- Letter Dated 19 July 1954 from the Permanent Representative of Syria to the President of the Security Council. S/3269/Corr. 1, July 20, 1954. 2 pp. mimeo.
- Report of the Trusteeship Council to the Security Council on the Trust Territory of the Pacific Islands Covering the Period from 22 July 1953 to 16 July 1954. S/3272, July 26, 1954. 70 pp. mimeo.
- Letter Dated 27 July 1954 from the Acting Permanent Representative of Israel Addressed to the President of the Security Council. S/3273, July 28, 1954. 1 p. mimeo.
- Letter Dated 28 July from the Acting Permanent Representative of Israel to the United Nations Addressed to the President of the Security Council. S/3275, July 29, 1954. 2 pp. mimeo.

Trusteeship Council

- Conditions in the Trust Territory of Ruanda-Urundi. Summary of the observations made by individual members of the Council during the general discussion, and of the comments of the representative and special representative of the Administering Authority. T/L.457, March 22, 1954. 29 pp. mimeo.
- General Assembly Resolution 752 (VIII) and Trusteeship Council Resolution 866 (XIII): Attainment by the Trust Territories of Self-Government or Independence. Report of the Secretary-General. T/L.464, May 24, 1954. 50 pp. mimeo.
- Conditions in the Trust Territory of Somaliland Under Italian Administration. Working paper prepared by the Secretariat. T/L.471, June 2, 1954. 33 pp. mimeo.
- Agenda of the Fourteenth Session of the Trusteeship Council as adopted by the Trusteeship Council at its 526th meeting on 2 June 1954. T/1123, June 4, 1954. 3 pp. mimeo.
- Conditions in the Trust Territory of Nauru. Working paper prepared by the Secretariat. T/L.472, June 4, 1954. 22 pp. mimeo.
- Conditions in the Trust Territory of the Pacific Islands. Working paper prepared by the Secretariat. T/L. 478, June 28, 1954. 29 pp. mimeo.
- Conditions in the Trust Territory of Somaliland Under Italian Administration. Working paper prepared by the Secretariat. T/L. 471/Add. 1, June 30, 1954. 8 pp. mimeo.
- Conditions in the Trust Territory of Somaliland Under Italian Administration. Report of the Drafting Committee T/L. 483, June 30, 1954. 14 pp. mimeo.
- Conditions in the Trust Territory of Somaliland Under Italian Administration. T/L. 495, July 9, 1954. 42 pp. mimeo.
- Rural Economic Development of the Trust Territories. Fourth progress report of the Committee on Rural Economic Development of the Trust Territories. T/ 1132, July 9, 1954. 2 pp. mimeo.
- Conditions in the Trust Territory of New Guinea. Working paper prepared by the Secretariat. T/L.473/ Add.1, July 12, 1954. 6 pp. mimeo.
- Conditions in the Trust Territory of Western Samoa. Working paper prepared by the Secretariat. T/L. 476/Add.1, July 12, 1954. 5 pp. mimeo.
- Draft Report of the Trusteeship Council to the General Assembly Covering the Period From 22 July 1953 to July 1954. T/L.502, July 13, 1954. 84 pp. mimeo.
- Petitions Concerning the Trust Territory of the Pacific Islands. Eighty-Seventh Report of the Standing Committee on Petitions. T/L.510, July 14, 1954. 14 pp. mimeo.
- Conditions in the Trust Territory of the Pacific Islands. Working Paper prepared by the Secretariat. T/L. 478, Add.1, July 15, 1954. 3 pp. mimeo.

- Draft Report of the Trusteeship Council to the General Assembly Covering the Period From 22 July 1953 to — July 1954. T/L.502, July 13, 1954. 84 pp. mimeo.
- Conditions in the Trust Territory of Western Samoa. T/L.513, July 15, 1954. 21 pp. mimeo.
- Conditions in the Trust Territory of New Guinea. T/ L.514, July 15, 1954. 22 pp. mimeo.
- Conditions in the Trust Territory of Nauru. T/L.515, July 15, 1954. 22 pp. mimeo.
- General Assembly Resolution 750 (VIII): The Togoland Unification Problem. Draft Special Report of the Trusteeship Council. T/L.516, July 15, 1954. 8 pp. mimeo.
- Draft Report of the Trusteeship Council to the Security Council on the Trust Territory of the Pacific Islands for the Period Ending —, July 1953. T/L.517, July 15, 1954. 4 pp. mimeo.
- Conditions in the Trust Territory of the Pacific Islands. Report of the Drafting Committee. T/L.518, July 15, 1954. 7 pp. mimeo.
- Conditions in the Trust Territory of the Pacific Islands. T/L.519, July 15, 1954. 32 pp. mimeo.
- Conditions in the Trust Territory of Western Samoa. Working Paper prepared by the Secretariat. Addendum. T/L.476/Add.1, July 12, 1954. 5 pp. mimeo.
- Petitions Concerning the Trust Territory of the Pacific Islands. Eighty-Seventh Report of the Standing Committee on Petitions. T/L.510, July 14, 1954. 14 pp. mimeo.
- Draft Report of the Trusteeship Council to the General Assembly Covering the Period from 22 July 1953 to — July 1954. Addendum. T/L.502/Add.1, July 15, 1954. 22 pp. mimeo.
- Conditions in the Trust Territory of the Pacific Islands. Working Paper prepared by the Secretariat. T/L. 478/Add.1, July 15, 1954. 3 pp. mimeo.

General Assembly

- International Law Commission. Sixth Session. Second Report on the Law of Treaties by H. Lauterpacht, Special Rapporteur. A/CN.4/87, July 8, 1954. 53 pp. mimeo.
- Nationality Including Statelessness. Addendum to Comments by Governments on the Draft Convention on the Elimination of Future Statelessness and on the Draft Convention on the Reduction of Future Statelessness. A/CN.4/82/Add.7, July 13, 1954. 7 pp. mimeo.
- Election of a Member of the International Court of Justice To Fill the Vacancy Caused by the Death of Sir Benegal Rau. List of candidates nominated by national groups. Note by the Secretary-General. A/2668 and S/3270, July 20, 1954. 11 pp. mimeo.
- Information from Non-Self-Governing Territories: Summary and Analysis of Information Transmitted Under Article 73 e of the Charter. Report of the Secretary-General. Summary of information transmitted by the Government of the United Kingdom of Great Britain and Northern Ireland. A/2657, July 21, 1954. 100 pp. mimeo.
- The Togoland Unification Problem. Special Report of the Trusteeship Council. A/2669, July 23, 1954. 5 pp. mimeo.
- Supplementary List of Items for the Agenda of the Ninth Regular Session of the General Assembly: Item Proposed by Afghanistan, Burma, Egypt, India, Indonesia, Iran, Iraq, Lebanon, Pakistan, the Philippines, Saudi Arabia, Syria, Thailand and Yemen. The Morocco Question. A/2682, July 29, 1954. 5 pp. mimeo.

President Reports on Progress Toward Mutual Security

The President on August 20 transmitted to the Congress a report on the Mutual Security Program for the 6 months ended June 30, 1954.¹ Printed below are the texts of the letter of transmittal and chapter I of the report entitled "Mutual Security: A 6-Month Report." Other chapters deal in greater detail with Europe; the Near East, South Asia, and Africa; the American Republics; and other parts of the program.

PRESIDENT'S LETTER OF TRANSMITTAL

To the Congress of the United States:

I am transmitting herewith the Report on the Mutual Security Program covering operations during the 6-month period ended June 30, 1954, in furtherance of the purpose of the Mutual Security Act of 1951, as amended.

The mutual security programs, as carried out through the Foreign Operations Administration, are effectively advancing the security of the United States and of our cooperating partners in the free world.

THE WHITE HOUSE,
August 20, 1954

MUTUAL SECURITY: A 6-MONTH REPORT

The mutual security effort during the first 6 months of 1954 was marked by important gains and important setbacks.

On the debit side, the Communist-backed Viet Minh troops scored major successes in the Indo-China region despite nearly 8 years of military operations by the forces of the French Union and the Associated States, and United States supporting shipments of military weapons and supplies.

¹ H. Doc. 495, 83d Cong., 2d sess. For an excerpt from the report for July-December 1953, see BULLETIN of Mar. 29, 1954, p. 484.

The European Defense Community, which would integrate military forces of the Republic of Germany into the Western European defense system, still lacked the governmental actions necessary to give it life. There were, to be sure, some hopeful signs in the past half year, such as completion of the ratification process by Germany and the Netherlands, the affirmative parliamentary steps by Belgium and Luxembourg, and the directive of the French Socialist Congress to its members in the French Assembly to back the defense plan or face disciplinary measures. But the fact remained that the EDC had not yet been ratified by France and Italy, and the needed German contribution to the defense of Western Europe had not come into being. This latter deficiency constituted the most serious single obstacle to an adequate European defense posture, and at the turn of the half year vigorous efforts were being made to resolve the issue in the shortest possible time.

On the credit side, however, free nations in all parts of the world took a number of significant steps under our military assistance and technical and development programs which strongly attested to the basic soundness of the mutual security concept and its power to draw the forces of freedom into productive common endeavors for military preparedness and economic and social advancement.

New Actions for Mutual Security

In Latin America, at the Caracas Conference in Venezuela during March, the overwhelming majority of our neighbors to the south joined with the United States to declare that the control or domination of any one American State by the Communist complex would be a threat to the independence of all American States, endangering the peace of America.² The single vote against this declaration came, as expected, from Guatemala where at the time the ominous rumblings of Communist activity were very pronounced. The principles of unified action enunciated by the representatives at Caracas were not without effect. By the end of June, there was every indication that the Guatemalans had awakened to the dangers of Communist domination and were acting to cast

² BULLETIN of Apr. 26, 1954, p. 638.

off the menacing influences which had taken such a disturbing hold. During the first half of the year also, 2 additional countries in strategically placed Central America—Nicaragua and Honduras—signed military aid agreements with the United States, linking themselves with the mutual security program.

In the Far East, where the Communist rulers moved with greatest force to expand their power and control, the free nations of the area recognized the necessity for strengthening their collective security measures. In January, the Mutual Defense Treaty between the Republic of Korea and the United States received legislative approvals in both countries. The Treaty does not come into force, however, until ratifications are exchanged. The Government of Japan in March signed a Mutual Defense Assistance Agreement with the United States, providing for joint measures to bolster Japan's military capabilities for internal security and for defense against Communist conquest.³ In the Philippines, the Government, with the aid of United States military equipment and training, succeeded in subduing the Communist-led Huk guerrillas and in bringing about the surrender of the long-sought Huk leader, Luis Taruc. Thailand took added measures to accelerate and streamline its military program.

The Communist advance in Indochina brought home most strikingly the urgency of creating more effective regional security arrangements in the Pacific. The United States went on record in favor of a defense organization for building greater Asiatic-Pacific strength, and began to explore with other free nations the methods whereby such a defense grouping could be brought into being.

In the Near East and South Asia, new moves were made for more effective collective action in the area. The Government of Pakistan, in February, asked the United States for military assistance under the mutual security program. The request was granted, and military supplies will be furnished for Pakistan's own defense and for enabling the country to play its part in regional defense plans.⁴ To create another source of strength for the non-Communist countries of this strategic area, Pakistan and Turkey joined together in a treaty of friendship and cooperation. Turkey also joined with Greece and Yugoslavia to conclude a tripartite friendship alliance. In April, an agreement was signed with the Iraqi Government under which the United States will furnish military assistance to strengthen Iraq's ability to defend itself against aggression.

In Europe, despite determined Soviet diplomatic efforts at Berlin and Geneva to crack the NATO alliance, the NATO nations went steadily forward with their plans to defend the area against Soviet military expansion. Because of

the substantial improvements in the European economy, wrought by the joint efforts under the various mutual assistance programs, the nations of Western Europe are better able today than at any time after World War II to provide for the common defense of the North Atlantic Treaty area.

The military capabilities of the Western alliance were strengthened during the past six months by the addition of Matador pilotless-bomber squadrons and atomic artillery to United States armed forces in Europe. Large-scale, integrated maneuvers of NATO air and sea forces were successfully carried out. General Gruenther's SHAPE Command thus acquired more powerful, better-trained forces to combat any military aggression. The mutual security program in Spain moved into gear, and plans were activated for building modern air and naval bases to be used by the United States Air Force and Navy, and for strengthening the Spanish economy and the well-being of the Spanish people.

Global Military Shipments

United States shipments of weapons, ammunition, and other military equipment have expanded substantially the defense capabilities of the many nations with which we have concluded military assistance agreements. The value of such shipments in the first half of 1954 amounted to \$1.7 billion. The total value of military grant aid shipments to all parts of the world from the beginning of the military assistance program in October 1949 through June 30, 1954, amounted to \$9.4 billion.

On a global basis, the major items delivered through June 1954 included:

- 127,403 electronics and signal equipment items.
- 188,497 motor transport vehicles.
- 34,733 tanks and combat vehicles.
- 34,802 artillery pieces.
- 45 million rounds of artillery ammunition.
- 784 Navy vessels.
- 5,911 aircraft.

Over 2 million small arms and machine guns were shipped, along with about 1½ billion rounds of small-arms and machine gun ammunition.

Technical Cooperation Made More Effective

The general improvement in economic conditions evident in so many parts of the world must, of course, be credited directly to the courageous efforts and driving energies demonstrated by the free world people in striving to improve their situation. The gains scored came from prolonged nationwide austerity programs, day-after-day personal sacrifices, and plain hard work. But these gains also reflected in good measure the accom-

³ For text, see *ibid.*, Apr. 5, 1954, p. 520.

⁴ *Ibid.*, Mar. 15, 1954, p. 401.

plishments of our mutual programs of technical cooperation.

Increased levels of food consumption in many of the participating countries, greater productivity, lower disease and mortality rates, more efficient management and administrative practices, expanded power resources, greater capacity for self-help—these achievements are a tribute to our joint projects which impart to economically less-developed countries the modern skills and techniques which they need to catalyze their own endeavors. Technical cooperation has proved itself as a practical and productive concept and as the surest and most economical way, over the long term, to speed the advance toward an expanding world economy and a higher general standard of living.

During the half year, two new participants were added to the joint technical cooperation effort when the necessary agreements were concluded for programs in Surinam and British Guiana, in South America. At the end of June, some 60 nations and territories were working with the United States in technical cooperation undertakings. The participating countries have responded to the program with enthusiasm and good will and have demonstrated their firm support by steadily increasing their proportionate contributions of funds, facilities, and personnel to the various technical cooperation projects.

The Foreign Operations Administration, during the period under review, laid down a number of new guidelines for more effective technical cooperation operations. Procedures were reworked in order to:

- (1) Pinpoint the program on a few key problems in each country so that energies are not dispersed among undertakings of lesser importance;

- (2) Achieve better procurement methods so that technicians always have at hand the equipment they need to carry out their demonstration and teaching work;

- (3) Assure that a significant part of United States assistance reaches the people of the country through community development and other grass-roots projects;

- (4) Encourage, through FOA-financed contracts between American universities and foreign colleges, the development of strong educational institutions which will provide underdeveloped countries with the types of university extension, demonstration, and advisory services which have made such an outstanding contribution to the economic development of the United States;

- (5) Develop better coordination of FOA activities with the activities of the United Nations. On this subject, the Director of the Foreign Operations Administration, Mr. Harold E. Stassen, held a special conference with top technical assistance officers of the United Nations so that additional steps could be taken to trim to a minimum the possibilities of duplication and overlapping among the various programs.

During the first part of 1954, there were about 1,700 United States technicians serving in the host countries. Even this number, however, falls short of the needs of a fully effective program. Competent specialists, with the right qualifications and aptitudes for work in distant lands, have proved hard to find. Despite constant improvements in recruitment practices, many important overseas positions still remained unfilled.

The obstacles involved in securing needed professionals for service abroad were somewhat reduced by expanding the opportunities for the working participation of technicians from private American institutions. As of June 30, 1954, 36 FOA-financed contracts for technical cooperation abroad were in force with 30 colleges and universities, and a number of others were under negotiation. These contracts covered diverse fields, including agriculture, health, education, engineering, and public administration.

In addition, the Foreign Operations Administration had financed contracts with United States commercial organizations and individual contractors to furnish specific technical services in participating countries and had concluded a number of technical cooperation contracts with voluntary and nonprofit agencies, other than colleges.

Development Assistance To Speed Key Projects

Technical cooperation programs in some nations, particularly those in the less-developed areas, require supplemental supplies, commodities, or funds in order to produce worth-while results without waste of resources and time. This type of supplementary assistance to help move forward a country's own development program makes it possible to carry out certain key projects which serve the basic interests of the United States, as well as the interests of the country concerned. In most instances, development assistance is given either when the country does not possess the needed material and financial capacity to undertake such key projects, or when, even if the projects were undertaken, the rate of progress without supplementary aid would not match the requirements of current world conditions.

Development assistance, linked with technical cooperation projects, also lays the groundwork for attracting private investment capital and private management skills—essential ingredients for lasting economic improvement in any independent country. A potential private investor today generally finds in an underdeveloped country that poor transportation, power, and communications facilities constitute too great a drawback to productive enterprise. Carefully planned development assistance, properly related to technical cooperation programs, can go far toward creating the necessary inducements to greater private investment, both local and foreign.

For these reasons, development assistance activities, particularly in the area of the Near East, Africa, and South Asia, have received increasing attention in mapping out programs for achieving full use of country resources. Development support furnished through the Foa programs has been focused primarily on those activities which help a particular country to mobilize its own resources and remove existing barriers to normal financing, either through loans or private investment. These activities have included projects for land-reclamation and irrigation in the Arab States and in Israel, agricultural and livestock improvement in Iran, basic industrial and transportation development in India, and industrial diversification in Pakistan. In Latin America, development assistance has been given to increase food production in Bolivia.

Development-type programs have also been carried out in the Far East. In Korea, though there were understandable initial difficulties in instituting reconstruction operations of such magnitude, where so much must be done so rapidly, all of the funds available were programmed and obligated for specific capital investment programs and commodity purchases worked out jointly with representatives of the Korean Republic. In the half year also, development-type activities in the Philippines received fresh impetus and added support from the new Philippine Government.

During the 6-month period, \$100 million was provided to the Export-Import Bank for a 25-year loan to the European Coal and Steel Community. This action was consistent with the administration's effort to shift aid of a development nature, wherever possible, from a grant to a loan basis. The Community will make repayment at 3½ percent interest and will use the funds for investment purposes to develop and modernize coal and iron ore enterprises in the six member nations.

U.S. Food Surpluses for Worldwide Use

Large quantities of American surplus farm products have been put to constructive use either by sales to friendly countries for local currencies or by grant shipments to relieve emergency food shortages of free world peoples.

Foa authorized over \$245 million through mid-1954 to purchase American surplus wheat, barley, cotton, fats and oils, frozen beef, tobacco, and other agricultural commodities and sell them abroad to free world nations who pay in their own currencies. About \$186 million worth of these authorizations were issued in the January-June period of this year.

Under Public Law 216, which expired in March 1954, the President authorized the shipment of over 84,000 tons of surplus wheat to free world nations threatened by critical food shortages.

Foa made such famine-averting shipments to Bolivia, Jordan, and Libya. Through emergency legislation, Pakistan received over 610,000 tons of wheat which helped keep millions of Pakistani people from hunger or starvation until this year's new and more favorable spring crop could be harvested.⁵

These and like measures to utilize our abundant supplies of agricultural products illustrate yet another way in which the mutual security program operates to promote greater strength and closer ties among freedom-loving peoples.

New Top-Level Advisory Groups Formed

The Public Advisory Board and the International Development Advisory Board, composed of outstanding representatives of American agriculture, industry, and education, both have furnished invaluable assistance to the Foreign Operations Administration in the formulation of broad plans for the various technical and economic development programs. During the half year, 2 more specialist advisory groups were established. These were a 15-member Health Advisory Committee, with Dr. Norman H. Topping, Vice President of the University of Pennsylvania, as chairman, and a 10-member Labor Advisory Committee, made up of key leaders of the American Federation of Labor, the Congress of Industrial Organizations, and other principal labor organizations. The participation of these top-level groups not only provides the Foreign Operations Administration with the best professional assistance and advice obtainable, but also insures that the interests of the different sectors of the American economy will be adequately represented in the makeup and direction of our overseas technical and development programs.

Unity—The Source of Free World Strength

The far-flung forces controlled by international Communism are striving incessantly, by guile and by force, to undermine the concept of allied unity and thus cut the sinews of free world strength. At every conference table and in every diplomatic and military maneuver, the Communist rulers push hard toward their key objective of separating the free world into individual segments. Indeed, the very intensity of their attack on any move toward free world solidarity is the surest proof of the worth and effectiveness of our mutual security measures, for the Kremlin realizes full well that so long as free men band together in common purpose, Communist efforts for ultimate world domination cannot succeed.

In a review of the developments and actions on the world scene during the first half of this year,

⁵ *Ibid.*, May 17, 1954, p. 760.

one fact stands plain. The close working relationships developed under the varied, but inter-related, mutual security efforts in all parts of the globe, and the tangible benefits of military assistance and the technical, development, and food programs have helped to bind the free world nations together in pursuit of the common goals of freedom and economic and social progress.

THE CONGRESS

Current Legislation on Foreign Policy: 83d Congress, 2d Session

- First International Instrument Congress and Exposition. Report to accompany H. J. Res. 257. S. Rept. 1979, July 23, 1954. 2 pp.
- Mutual Security Appropriation Bill, 1955. Report to accompany H. R. 10051. H. Rept. 2490, July 24, 1954. 21 pp.
- Stockpile and Accessibility of Strategic and Critical Materials to the United States in Time of War. Hearings before the Special Subcommittee on Minerals, Materials, and Fuels Economics of the Senate Committee on Interior and Insular Affairs on S. Res. 143, A Resolution to Investigate the Accessibility and Availability of Supplies of Critical Raw Materials. Part 10, Seattle, Wash., September 21, 22, 23, October 22, 24, December 10, 11, 17, 18, 1953, January 5, 6, 25, February 16, 24, March 30, April 6, 7, and May 24, 28, 1954. 852 p.
- International Organizations and Movements. Hearings before the Subcommittee on International Organizations and Movements of the House Committee on Foreign Affairs. February 2, March 1, 4, 11, 17, 22, 24, 31, May 5, and July 9, 1954. 511 p.
- To Amend the Joint Resolution Providing for the Adjudication of Claims of American Nationals Against the Government of the Union of Soviet Socialist Republics. Hearing before the Subcommittee on Europe of the House Committee on Foreign Affairs on H. J. Res. 49 and H. J. Res. 130, To Amend the Joint Resolution Entitled "Joint Resolution to Provide for the Adjudication by a Commissioner of Claims of American Nationals Against the Government of the Union of Soviet Socialist Republics," Approved August 4, 1939. March 11, 1954. 81 p.
- The Supplemental Appropriation Bill, 1955. Hearings before the Senate Committee on Appropriations on H. R. 9936, An Act Making Supplemental Appropriations for the Fiscal Year Ending June 30, 1955, and for Other Purposes. April 28, 1954. 1,366 p.
- War Claims Act Amendments of 1954. Hearings before a Subcommittee of the House Committee on Interstate and Foreign Commerce on Bills to Amend the War Claims Act of 1948. June 7-16, 1954. 206 p.
- Study of Export-Import Bank and World Bank. Hearing before the Senate Committee on Banking and Currency on S. Res. 25 and S. Res. 183, A Resolution to Authorize and Direct a Thorough Study of the Operations of the Export-Import Bank and the International Bank for Reconstruction and Development and Their Relationship to Expansion of International Trade. Part 2, June 14, 1954. 1,301 p.

- Waterborne Cargoes in United States-Flag Vessels. Hearings before the House Committee on Merchant Marine and Fisheries on S. 3233, An Act to Amend the Merchant Marine Act, 1936, To Provide Permanent Legislation for the Transportation of a Substantial Portion of Waterborne Cargoes in United States-Flag Vessels. June 23-25, 1954. 124 p.
- To Protect Rights of United States Vessels on High Seas and in Territorial Waters of Foreign Countries. Hearing before the Subcommittee of the Senate Committee on Interstate and Foreign Commerce on S. 3594, A Bill to Protect the Rights of Vessels of the United States on the High Seas and in Territorial Waters of Foreign Countries. July 2, 1954. 87 p.
- To Control Illegal Migration. Hearings before the Subcommittee on Immigration and Naturalization of the Senate Committee on the Judiciary on S. 3660, To Make the Employment, and Related Practices, of Any Alien Known by an Employer to Have Entered the United States Illegally Within 3 Years Thereof Unlawful, and for Other Purposes, and S. 3661, To Provide for the Seizure and Forfeiture of Any Vessel or Vehicle Used in the Transportation of Any Alien Known by the Owner Thereof to Have Entered the United States Illegally Within 3 Years Thereof, and for Other Purposes. July 12-14, 1954. 108 p.
- Mutual Security Appropriations for 1955. Hearings before the Senate Committee on Appropriations on H. R. 10051, An Act Making Appropriations for Mutual Security for the Fiscal Year Ending June 30, 1955, and for Other Purposes. July 16-27, 1954. 385 p.
- International Opium Protocol. Hearing before a Subcommittee of the Senate Committee on Foreign Relations on The International Opium Protocol. July 17, 1954. 93 p.
- Aids to Navigation—Approaches to Panama Canal. Hearing before the Subcommittee No. 3—Panama Canal of the House Committee on Merchant Marine and Fisheries on H. R. 9397, A Bill to Authorize the Secretary of the Treasury to Transfer Certain Property to the Panama Canal Company, and for Other Purposes. July 19, 1954. 16 p.
- International Opium Protocol. Report of the Senate Committee on Foreign Relations on Executive C. S. Exec. Rpt. 7, August 7, 1954. 14 p.
- Certain Alien Sheepherders. Report to accompany S. 3813. S. Rpt. 2453, August 11, 1954. 5 p.
- The Illegal Employment of Aliens Act of 1954. Report to accompany S. 3660. S. Rpt. 2451, August 11, 1954. 5 p.
- Illegal Transportation of Aliens Act of 1954. Report to accompany S. 3661. S. Rpt. 2452, August 11, 1954. 4 p.
- New Outlets for Wheat. A Report on "Parboiled Wheat": a Practical Solution to a Very Grave and Urgent World Problem—Food Shortage in the Rice Areas. S. Doc. 154, August 13, 1954. 16 p.
- Atomic Weapons Rewards Act of 1954. Report to accompany S. 3851. S. Rpt. 2488, August 14, 1954. 5 p.
- Certain Basque Sheepherders. Report to accompany S. 2074. H. Rpt. 2658, August 16, 1954. 22 p.
- Atomic Weapons Rewards Act of 1954. Report to accompany H. R. 10203. H. Rpt. 2660, August 16, 1954. 5 p.
- Providing Relief for the Sheep-Raising Industry. Report to accompany S. 2862. H. Rpt. 2662, August 16, 1954. 3 p.
- Agricultural Act of 1954. Conference report to accompany H. R. 9680. H. Rpt. 2664, August 16, 1954. 24 p.
- Atomic Energy Act of 1954. Conference report to accompany H. R. 9757. H. Rpt. 2666, August 16, 1954. 51 p.
- Military Family Housing. Conference report to accompany H. R. 9924. H. Rpt. 2669, August 17, 1954. 4 p.
- Yugoslav Emergency Relief Assistance Program. Letter from the Director, Foreign Operations Administration, Transmitting the Tenth Report to the Congress

of the United States on the Administration of the Yugoslav Emergency Relief Assistance Program, Pursuant to Section 6 of Public Law 897, 81st Congress (the Yugoslav Emergency Relief Assistance Act of 1950). H. Doc. 493, August 17, 1954. 2p.

Revising and Extending the Laws Relating to Espionage and Sabotage. Conference Report to accompany H. R. 5980. H. Rpt. 2675, August 19, 1954. 2p.

Mutual Security Appropriation Bill, 1955. Conference Report to accompany H. R. 10051. H. Rpt. 2671, August 19, 1954. 5p.

Double Taxation Convention With Germany. Report to accompany Executive J. S. Exec. Rpt. 8, August 19, 1954. 4p.

Activity of the Committee on Interstate and Foreign Commerce Report of the House Committee on Interstate and Foreign Commerce. H. Rpt. 2678, August 20, 1954. 47p.

Federal Republic of Germany. Report to accompany H. R. 9988. S. Rpt. 2505, August 20, 1954. 4p.

TREATY INFORMATION

Tax Treaty Negotiations With Honduras

Press release 488 dated September 1

United States and Honduras tax officials are having technical discussions looking to the conclusion of a convention for the avoidance of double taxation with respect to taxes on income. If a basis for agreement is found, a draft of the proposed terms will be prepared by the participants and submitted to their respective governments for consideration with a view to signing.

The Department of the Treasury would welcome such comments and suggestions as interested persons may wish to make in regard to the proposed agreement. Such comments and suggestions should be transmitted to the Office of the Secretary of the Treasury.

Current Actions

MULTILATERAL

Commodities—Sugar

International sugar agreement. Done at London under date of October 1, 1953.
Ratification deposited: Belgium, July 22, 1954.

Slave Trade

Protocol amending the slavery convention signed at Geneva September 25, 1926 (46 Stat. 2183), and annex. Done at New York December 7, 1953.¹
Signature: Sweden, August 17, 1954.

Telecommunications

International telecommunication convention and final protocol. Signed at Buenos Aires December 22, 1952. Entered into force January 1, 1954.¹
Ratification deposited: Dominican Republic, July 27, 1954.

Additional protocols to the international telecommunication convention. Signed at Buenos Aires December 22, 1952. Entered into force December 22, 1952.
Ratification deposited: Dominican Republic, July 27, 1954.

BILATERAL

Greece

Agreement concerning the transfer of community radios to the Government of Greece, with three schedules attached. Signed at Athens August 18, 1954. Entered into force August 18, 1954.

Italy

Agreement amending the agreement of December 18, 1948 (TIAS 1864) for financing certain educational exchange programs. Effected by exchange of notes at Rome June 14 and 30, 1954. Entered into force June 30, 1954.

Thailand

Agreement for the sale and purchase of tin concentrates. Signed at Bangkok August 11, 1954. Entered into force August 11, 1954; operative retroactively from August 1, 1954.

¹ Not in force for the United States.

American Principles. Principles of U.S. Foreign Policy (Eisenhower)	359
Atomic Energy. New Atomic Energy Act (Eisenhower)	365
Congress, The. Current Legislation	385
Economic Affairs	
Changes in Positive List of Commodities	377
New Policies on U.S. Security Export Controls (Weeks)	373
President's Views on Foreign Economic Policy (Eisenhower, Bullis)	371
Recent Developments in the International Control of Narcotics (Morlock)	366
Revisions in Battle Act Embargo List	372
Tax Treaty Negotiations With Honduras	386
World Bank Loan to Mexico	378
Foreign Service. New Chancery at Karachi	378
France. French Rejection of EDC (Eisenhower, Dulles)	363
Health, Education, and Welfare. Recent Developments in the International Control of Narcotics (Morlock)	366
Honduras. Tax Treaty Negotiations With Honduras	386
Mexico. World Bank Loan to Mexico	378
Military Affairs	
Soviet Attack on U.S. Plane in Sea of Japan (texts of notes)	364
U.N. Command Asks Communists To Account for 2,840 Prisoners (Brittain)	379
Mutual Security	
French Rejection of EDC (Eisenhower, Dulles)	363
New Policies on U.S. Security Export Controls (Weeks)	373
President Reports on Progress Toward Mutual Security	381
Revisions in Battle Act Embargo List	372
Pakistan. New Chancery at Karachi	378
Philippines, The. Secretary Dulles Leaves for Manila Conferences (Dulles)	364
Presidential Documents	
President Reports on Progress Toward Mutual Security	381
President's Views on Foreign Economic Policy	371
Principles of U.S. Foreign Policy	359
Protection of Nationals and Property. Soviet Attack on U.S. Plane in Sea of Japan (texts of notes)	364
Publications. Current U.N. Documents	379
Southeast Asia. Secretary Dulles Leaves for Manila Conferences (Dulles)	364

Treaty Information	
Current Actions	386
Tax Treaty Negotiations With Honduras	386
United Nations	
Current U.N. Documents	379
U.N. Command Asks Communists To Account for 2,840 Prisoners (Brittain)	379

Name Index

Brittain, T. B.	379
Bullis, Harry A.	371
Dulles, Secretary	363, 364
Eisenhower, President	359, 363, 365, 371, 381
Morlock, George A.	366
Stassen, Harold E.	372
Weeks, Sinclair	373

Check List of Department of State Press Releases: August 30-September 5

Releases may be obtained from the News Division,
Department of State, Washington 25, D. C.

No.	Date	Subject
485	8/30	New chancery in Pakistan
486	8/31	Dulles: Statement on EDC
487	8/31	Dulles: Statement on leaving for Manila
488	9/1	U.S.-Honduran tax discussions
†489	9/2	Inter-American highway in Guatemala
*490	9/2	Educational exchange
*491	9/3	Refugee committees

* Not printed.

† Held for a later issue of the BULLETIN



the
Department
of
State

UNITED STATES
GOVERNMENT PRINTING OFFICE
DIVISION OF PUBLIC DOCUMENTS
WASHINGTON 25, D. C.
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, \$300
(GPO)

Recent releases in the unique documentary series
Foreign Relations of the United States . . .
the basic source of information on U.S. diplomatic history

1936, Volume I, General, The British Commonwealth	\$4.25
1936, Volume II, Europe	\$4.25
1936, Volume III, The Near East and Africa	\$3.00
1936, Volume IV, The Far East	\$4.50
1936, Volume V, The American Republics	\$4.50
1937, Volume I, General	\$4.25
1937, Volume II, The British Commonwealth, Europe, Near East and Africa	\$4.25
1937, Volume III, The Far East	\$4.25

Copies of these volumes may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D.C., at the prices indicated.

Order Form

Supt. of Documents
Govt. Printing Office
Washington 25, D.C.

Enclosed And:

\$.....
(cash, check, or
money order).

Please send me copies of *Foreign Relations of the United States*,
1936, Volumes I, II, III, IV, V; 1937, Volumes I, II, III.

Name:

Street Address:

City, Zone, and State: